

West Virginia

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

DEDICATED TO YOU, A FREE CITIZEN IN A FREE LAND
THE RESTORATION OF THE LIBERTY BELL WAS PREPARED BY THE PEOPLE OF
WEST VIRGINIA
THE HISTORICAL SOCIETY, SENATOR
WILLIAM H. HAYES
IS THE INSPIRATIONAL SYMBOL OF THE
WEST VIRGINIA STATE BANNER WHICH INSPIRES US TO
PROVE OUR WORTH AS A PEOPLE IN
THE GREAT REPUBLIC
THE BANNER AND THE LIBERTY BELL
WITH THOSE OF THE ORIGINAL LIBERTY BELL WHICH IT
REPRESENTS
IN STANDING BEFORE THIS SYMBOL, YOU SWORE THE
OATH OF ALLEGIANCE TO THE STATE
AS SO OUR FATHERS SWORE TO THE PRINCIPLES
OF THE ORIGINAL LIBERTY BELL WHICH IT
REPRESENTS
THIS BELL IS ONE OF SEVERAL BELL IN 1901
AND GIVEN TO THE UNITED STATES GOVERNMENT BY
THE LEGISLATURE OF WEST VIRGINIA
WEST VIRGINIA HISTORICAL SOCIETY
1901

WEST VIRGINIA PROCLAIMS LIBERTY
AND JUSTICE UNDER THE
STAR AND STRIPES
PHILADELPHIA
M.D. CCLXXII

WEST VIRGINIA

West Virginia

*Annual Comprehensive
Financial Report
For the Fiscal Year
Ended June 30, 2023*



Jim Justice

Governor

Mark Scott

Cabinet Secretary

Department of Administration

Sarah H. Long, CPA

Chief Financial Officer and
Assistant Cabinet Secretary

Department of Administration

Prepared by the Financial
Accounting and Reporting Section



Governor Jim Justice



Jim Justice
Governor of West Virginia

To the Honorable Members of the West Virginia Legislature and the
Citizens of West Virginia:

I am pleased to provide you with the State of West Virginia's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. An independent certified public accounting firm has audited the basic financial statements contained in this report.

The ACFR demonstrates West Virginia's commitment to financial accountability and national standards. This document provides the Legislature and citizens of West Virginia with the state's financial data. It can be accessed on the Internet at www.finance.wv.gov.

This report was compiled with the help of individuals throughout state government. Each state agency provided clear, concise information to ensure the highest level of financial accountability.

Sincerely,

A handwritten signature in blue ink, reading "Jim Justice".

Jim Justice
Governor

ACKNOWLEDGMENTS

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Special appreciation is given to all personnel throughout the State whose extra effort to contribute accurate, timely financial data for their agencies made this report possible. The technical support of West Virginia Our Advanced Solution with Integrated Systems (wvOASIS) has been invaluable. Also, photo credit goes to the Division of Tourism.

We invite you to visit our website: <http://www.finance.wv.gov>.

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Introductory Section



Transmittal Letter

Certificate of Achievement
for Excellence in Financial
Reporting

Organization Chart

Principal Officials



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION

Mark D. Scott
CABINET SECRETARY

December 15, 2023

The Honorable Jim Justice, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia

Dear Governor, Senators, Delegates, and Citizens:

I am pleased to present the 2023 Annual Comprehensive Financial Report (2023 ACFR) of the State of West Virginia for the fiscal year ended June 30, 2023. This report was prepared by the Financial Accounting and Reporting Section (FARS) within the Finance Division of the Department of Administration (Management).

The 2023 ACFR was prepared in conformity with the reporting model outlined by the Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35, and other related statements. This reporting model's objective is to provide a clear picture of the government as a single, unified entity as well as to provide traditional fund-based financial statements. The State of West Virginia's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with generally accepted accounting principles in the United States (GAAP).

This independent audit of the financial statements of the State of West Virginia is part of a broader, federally mandated "Single Audit" designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on West Virginia's internal controls and compliance with requirements applicable to major programs.

GAAP requires that Management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the Report of the Independent Auditors.

The Honorable Jim Justice, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia

The 2023 ACFR consists of Management's representations concerning the financial information of the State of West Virginia. Consequently, Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Management of the State has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the State's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that these financial statements are free from material misstatements. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The State of West Virginia's financial statements were audited by Ernst & Young, LLP. The independent auditors concluded, based upon their audit and the reports of other auditors, that there was a reasonable basis for rendering an unmodified opinion.

Profile of the Government

The State of West Virginia provides a full range of services including education, social and health services, transportation, public safety, conservation of natural resources, and economic development. In addition to general government activities, this report includes financial information regarding various discretely presented component units which are financially accountable to the State, or for which the nature and significance of their relationship with the State are such that their exclusion would cause this report to be misleading or incomplete. The criteria used to determine financial accountability of a particular entity are the appointment by a state official of a voting majority of the entity's governing body and (1) the ability of the State to impose its will on that entity or (2) the potential for the entity to provide specific financial benefits to or impose specific financial burdens on the State. See Note 1 (Summary of Significant Accounting Policies) for a comprehensive discussion of the criteria used in determining the State's financial reporting entity.

Budgetary control is maintained through legislative appropriations and the Executive Branch quarterly allotment process. Agencies submit budgetary requests to the State Budget Office. The State Budget Office compiles the Executive Budget on behalf of the Governor, who submits it to the Legislature. After the approval of the budget, the State Budget Office maintains control over the spending patterns of the State at the activity level and by use of the quarterly allotments. The State Auditor exercises control over spending at the annual appropriation level. All appropriations, except funds which are re-appropriated, expire 31 days after fiscal year-end.

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Economic Review

West Virginia stands at the forefront of energy research and boasts a multifaceted energy portfolio encompassing coal, natural gas, wind, hydroelectric, geothermal, biomass and solar resources. West Virginia plays a pivotal role as a net contributor of electricity to the regional grid and consistently ranks within the top five states for interstate electricity sales. West Virginia continues to uphold its reputation for providing cost-effective energy solutions. West Virginia is a net electricity supplier to the regional grid and is among the top 5 states in the nation in net interstate electricity sales.

The State is the sixth-largest producer of marketed natural gas in the nation. This year's substantial increase in production can be attributed to the discovery of vast gas reserves in the Marcellus and Utica Shale formations. These formations are beneath portions of the Appalachian region, and the utilization of horizontal drilling techniques access those reserves. The region's 6,000-foot-deep Marcellus Shale gas fields, extending from New York to West Virginia, are believed to contain more than 84 trillion cubic feet of recoverable natural gas, one of the world's largest natural gas fields.

West Virginia's business climate is among the best in the country and ranks 10th in Business Facilities' 2021 State Rankings Report. Business Facilities also ranked Charleston, WV, as the third best business climate for populations less than 200,000. Business Facilities consider the competitiveness of each State's infrastructure, workforce, economy, business friendliness and access to capital when determining a state's business climate ranking.

West Virginia is committed to expanding its economic diversity, embracing a range of industries encompassing technology, chemicals and polymers, automotive, manufacturing, natural gas, aerospace, metals, fulfillment distribution and building products.

Prominent global enterprises and institutions have chosen West Virginia as their destination for expansion, drawn by the favorable business environment and the highly productive workforce. The following instances highlight the State's economic growth throughout fiscal year 2023:

Company Name	Number of Jobs Created	County
Form Energy	750	Hancock
CMC Metals	235	Berkeley
BHE/Precision CastParts	200	Jackson
Mountaintop Beverage LLC	280	Monongalia
Omnis Sublimation Recovery Technologies	100	Wyoming
Papier Mettler KG - New Deal	84	Hardy

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Klockner Pentaplast	30	Raleigh
Triton International	260	Berkeley
Blockchain Power	7	Preston
AquaBanq	15	Hampshire
Delta Cooling Tower	30	Barbour
Pure Watercraft	100	Brooke
Buzz Foods	40	Kanawha
First Tool	10	Berkeley
Rocky Mountain Rafts	10	Fayette
Shur Solution	7	Jefferson
Truston	10	Wyoming
Frito-Lay	5	Logan
JP Tech Services	35	Mingo
TCL Specialties	50	Marshall

Looking forward, other significant developments for 2023 include:

- Treplar, a pioneering joint venture between Klarpet of Turkey and Triton International Enterprises of the United States, will develop a state-of-the-art food packaging facility in Berkeley County. The \$50 million investment is projected to result in more than 600 high-paying jobs at the conclusion of its expansion.
- Omnis Fuel Technologies will invest \$800 million in the Pleasants Power Plant and create an estimated 600 jobs. Omnis Fuel specializes in developing, licensing, and commercializing innovative technologies to aid sustainable energy production.
- Fidelis New Energy®, LLC (Fidelis) has selected Mason County as the site for a lifecycle carbon-neutral hydrogen production facility – The Mountaineer GigaSystem™ and the Monarch Cloud Campus for data centers powered by net-zero hydrogen. Mountaineer will implement the proprietary FidelisH2® technology that enables hydrogen production with zero lifecycle carbon emissions from a combination of natural gas, carbon capture, utilization, and sequestration (CCUS) and renewable energy.
- Niterra North America Inc., formerly known as NGK Spark Plugs U.S.A. Inc., will commence construction at Niterra's Sissonville, West Virginia campus, marking a significant milestone in their expansion efforts. This investment will enhance their operations and reinforces their dedication to the State of West Virginia.
- UNDBIO, a South Korean pharmaceutical company that provides diabetic care solutions, has secured a lease with West Virginia University to build an insulin manufacturing facility in Morgantown. The company will create 200 jobs within the first three years and invest \$100,000,000 in phase one of the project.

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These investments reflect the increasingly diversified nature of the economy that West Virginia is building. West Virginia is well positioned as the ideal location for new and expanding companies that want to create good jobs in the State. West Virginia provides access to:

- Skilled and flexible workforce that has earned a reputation for dedication, loyalty and low turnover rate
- Business taxes that are among the lowest in the country
- West Virginia is approximately 5.1% below the national average for industrial electricity and approximately 17% below the national average for residential electricity rates;
- A strategic location within an eight-hour drive to half the U.S. population and a third of the Canadian market
- A community and technical college system that is highly responsive to business and workforce needs
- High quality of life, low cost of living and unparalleled outdoor recreational activities.

Major Initiatives

The State of West Virginia focused on several major initiatives during FY 2023. Some of these initiatives are outlined below:

Pro-Growth Tax Reforms

West Virginia enacted significant business tax reductions between 2006 and 2011 to help boost future investment in the State's economy. The Corporation Net Income Tax rate was reduced from 9 percent to 6.5 percent. In addition, West Virginia eliminated the Business Franchise Tax, the Corporate Charter Tax, the Telecommunications Tax, and a Business Registration Fee renewal requirement. The latest estimates project a net reduction of more than 70 percent in Corporation Net Income Tax for businesses over a 10-year period.

Beginning in 2022, the general multi-state business apportionment formula for income tax purposes changes from a three-factor formula involving the share of payroll, property, and sales in West Virginia to a single sales factor formula. As a result of this change, multi-state businesses with property and/or payroll in West Virginia face no direct marginal increase in tax liability associated with a decision to expand their physical presence in the State. An increase in either property investment or payroll in West Virginia has no direct impact on future multi-state business net income tax liability in the State.

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West Virginia enacted a significant personal income tax reduction beginning in 2023. Income tax rates were reduced by 21.25 percent with the top marginal rate falling from 6.5 percent to 5.12 percent. Small business corporations, partnerships, limited liability companies and sole proprietors all benefit from these lower tax rates along with employees earning a paycheck. Beginning in 2024, the State will also offer refundable income tax credits equal to 100 percent of local West Virginia property taxes paid on qualified motor vehicles and 50 percent of local West Virginia property taxes paid on qualified tangible personal property for small businesses with total appraised tangible personal property valued at \$1 million or less.

In addition to lower business taxes, West Virginia offers a variety of tax credits, exemptions, and special valuations for new and existing companies. Credits for manufacturers and certain other types of businesses that create new jobs can offset up to 100 percent of the State's business taxes. There are special valuations on aircraft, high technology, pollution abatement equipment and property tied to specified customer supplier relations, which can dramatically reduce property taxes, and exemptions for manufacturers can eliminate sales tax for goods used in manufacturing. There are new tax credit programs that are now available for customer fulfillment and distribution centers as well as ethane cracker facilities.

Roads and Highways

During fiscal year 2023, the West Virginia Division of Highways (WVDOH) continued work on several of its major initiatives around the state including Corridor H, the Nitro bridge project on I-64, the Welch to WV 16 portion of the Coalfields Expressway and the Airport Road - John Nash Boulevard portion of the King Coal Highway, to name a few. It is also worth noting that one major initiative from fiscal year 2022, finishing the Wellsburg bridge, has now been completed. During 2023, the WVDOH authorized a total of 1089 highway and bridge construction projects statewide. Rugged mountainous terrain and numerous streams and rivers characterize the topography of the state and consequently, West Virginia's Road system includes 7,254 vehicular bridges, of which the WVDOH is responsible for 7,144. The WVDOH's bridge program for this year, enhanced by an ongoing infusion of general obligation and turnpike bond sales proceeds, in conjunction with the traditional state-funded and federal-aid programs, allowed for 110 construction starts on bridge initiatives ranging from full replacement to deck overlays.

The WVDOH's resurfacing program consisted of 951 projects, which addressed approximately 1,994 miles of roadway. Program activity in fiscal year 2023 has shown a rebound effect from lower-than-normal numbers reported in fiscal year 2022. This rebound effect was due to the entire fiscal year's use of the agency's new project tracking system, full availability of the federal funding from the Infrastructure and Investment Act (IIJA) and the newly established resurfacing program.

State Park Enhancements

The West Virginia State Park system is a recognized leader in park systems in the United States and features a multitude of full-service restaurants, developed campgrounds, vacation

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lodges, spas, golf courses, cabins ranging from pioneer to contemporary styles, conference centers, a tourist railroad, aerial tramways, zip line, rail trails, an island and a major ski resort.

The system is composed of 36 state parks, 9 state forests and 3 rail trails: the Greenbrier River Trail, the Elk River Rail Trail, and the North Bend Rail Trail. Facility inventory includes 798 lodge rooms, 358 cabins, 1,546 campsites, 152 picnic shelters and 559 playground units. More than 700 miles of hiking trails are available across 46 areas.

The park system is a strong foundation for the growing tourism industry as destination locations. According to the Outdoor Industry Association research, the outdoor recreation economy in West Virginia contributes 82,000 direct state jobs, resulting in \$2 billion in wages and salaries. Consumers spend \$7.6 billion annually on outdoor recreation.

The parks section manages or assists in managing more than 164,000 acres of public land and sees up to 10 million visitors annually. Traffic counts and projections show 2023 trending much like the higher attendance levels last year, with approximately 2.7 million attendees in July, August and September 2023 alone. In July 2023, visitation was approximately 1,044,000 in a single month. There are over \$150 million in renovations completed, under construction, or in the planning stage.

Workers' Compensation Reforms

The Workers' Compensation program was privatized in 2006 from a monopolistic system to an open, competitive market. The transition has been hugely successful with 345 carriers filing to offer workers' compensation insurance to West Virginia policyholders. Since the privatization, the workers' compensation market has experienced approximately \$466 million in premium savings after 19 consecutive loss cost decreases. The most recent decrease of 12.7% results in a cumulative 80.9% loss cost reduction from pre-reform workers' compensation levels. In addition to the voluntary market loss cost decreases, the assigned risk market is one of the lowest in the nation by policy count and has also had rate decreases over the last several years. This is a tremendous accomplishment for the State and is a testament to the hard work, cooperation, and partnerships of the Insurance Commission, the National Council on Compensation Insurance, private carriers, and the employers of the State of West Virginia.

Prior to the privatization, the unfunded liability for the former Workers' Compensation Fund exceeded \$3 billion. As of June 30, 2023, the Workers' Compensation Old Fund had a positive net asset balance of \$7 million. The significant reduction in the unfunded liability demonstrates West Virginia's focus on fiscal responsibility.

Environmental Protection Initiatives

In fiscal year 2023, the West Virginia Department of Environmental Protection's (WVDEP) Rehabilitation Environmental Action Plan (REAP) awarded 29 recycling assistance grants totaling \$1,996,603 to local governments, universities, private and nonprofit

The Honorable Jim Justice, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia

organizations. The purpose of these grants are planning, initiating, expanding and upgrading recycling programs, providing related public education programs, and assisting in recycling market procurement efforts. These grants include 14 covered electronic devices recycling grants totaling \$101,000 to conduct electronic collections events and programs; and 25 litter control grants totaling \$98,339 to initiate, continue or expand local litter control programs.

The Office of Abandoned Mine Lands and Reclamation (AMLR) completed 11 reclamation projects totaling \$2.7 million and 29 emergency projects totaling \$2.4 million. AMLR solicited bids for 1 AMLR waterline construction project at a cost of \$400,000 and 7 Abandoned Mine Land Economic Revitalization (AMLER) projects at a total cost of \$10.1 million. The waterline project brought drinking water to citizens whose drinking water was affected by mining activity that occurred before enactment of the Federal Mining Act in 1977, which requires companies to reclaim the land when mining ceases. The AMLER program is intended to help fund projects in AMLR impacted areas that will promote economic revitalization of those areas.

Through the Clean Water State Revolving Fund, WVDEP disbursed more than \$39.6 million to communities for municipal sewer projects under construction. They also disbursed \$200,000 to the onsite system loan program and closed 16 new loans and amendments to municipal construction projects that were worth \$44 million. There are currently 18 binding commitment letters and/or loan agreements that have been issued for additional projects, worth \$71 million.

Long Term Financial Planning and Relevant Financial Policies

In order to continue disciplined financial management, the State adheres to certain financial policies and prepares a long-term financial plan.

Long-Term Financial Planning

The State's Six Year Financial Plan includes information on anticipated General and Lottery Funds revenues and expenditures over a six-year horizon with the goal of providing policymakers and citizens a clear understanding of not only the current budget, but also the larger, long-term implications of budget decisions on the State's future fiscal outlook.

Financial Policies

Under current law, the State is required to deposit the first 50% of all surplus funds from the General Fund accrued during the fiscal year just ended into the Revenue Shortfall Reserve Fund A (Rainy Day Fund) until the aggregate amount of balance in the combined Revenue Shortfall Reserve Funds A and B equal at least 20% of total appropriations for the fiscal year just ended. For the fiscal year ending June 30, 2023, a total of \$231,584,775 of surplus funds were deposited to Revenue Shortfall Reserve Fund A, bringing the combined balance of the Reserve Funds to the required 20% of total appropriations threshold target. The combined fund balance for the State's Rainy Day Funds was \$1.13 billion million as of September 30, 2023.

The Honorable Jim Justice, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia

Strong Financial Performance

In 2023, strong economic growth along with high inflation, especially for energy commodities, during the first half of the year resulted in General Revenue Fund growth of more than \$595.4 million or 10.1% over prior year collections. Collections were also nearly \$1.85 billion ahead of official estimates. Per the Governor's recommendations, the Legislature approved more than \$1.165 billion in surplus appropriations during the 2023 Regular Session and \$522.8 million in surplus supplemental appropriations during the 2023 1st Extraordinary Session. Major surplus appropriations included an additional \$150 million transferred to Highways. \$282 million to be used as federal funds/grant match which can be used to address deferred maintenance issues at the state's colleges, universities and technical schools and for deferred maintenance at the state's correctional units. \$400 million was appropriated to the Department of Revenue to be transferred to the Personal Income Tax Reserve Fund. \$125 million in surplus funds was included in the FY 2024 budget bill and an additional \$125 million in FY 2024 supplemental appropriation for a co-located lab.

Conclusion

West Virginia continues to aggressively address the fiscal challenges associated with a changing economy. During Fiscal Year 2023, the State was able to manage its budgetary demands in a challenging economic environment. Governor Jim Justice and the members of the State Legislature worked collaboratively to ensure that financial and strategic decisions were made for the betterment of the State's citizens so that programs and services continue to operate efficiently. Meanwhile, our state's leadership also maintains a competitive atmosphere for current and future businesses to ignite job growth.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of West Virginia for its ACFR for the fiscal years ended June 30, 1997 through 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements. We are again submitting it to the GFOA for consideration.

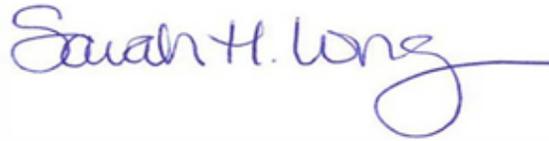
The Honorable Jim Justice, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia

Acknowledgments

The annual budget document, prepared by the State Budget Office, provides additional information related to budget priorities and goals, including acknowledgement of significant accomplishments of various agency programs. The budget document has received the GFOA's Award for Distinguished Budget Presentation Program for the fiscal years 1997 through 2023 budgets.

The 2023 ACFR is an example of Governor Justice's unwavering belief in, and commitment to, the State's fiscal responsibility and accountability. Acknowledgment is given to the State Legislature and its leadership for their shared commitment to sound budgeting and to meeting the financial obligations of the State. This report would not be possible without the support of all West Virginia State agencies. The State's continued success directly depends on their cooperation and support.

Sincerely,



Sarah H. Long
Chief Financial Officer
Assistant Cabinet Secretary of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of West Virginia

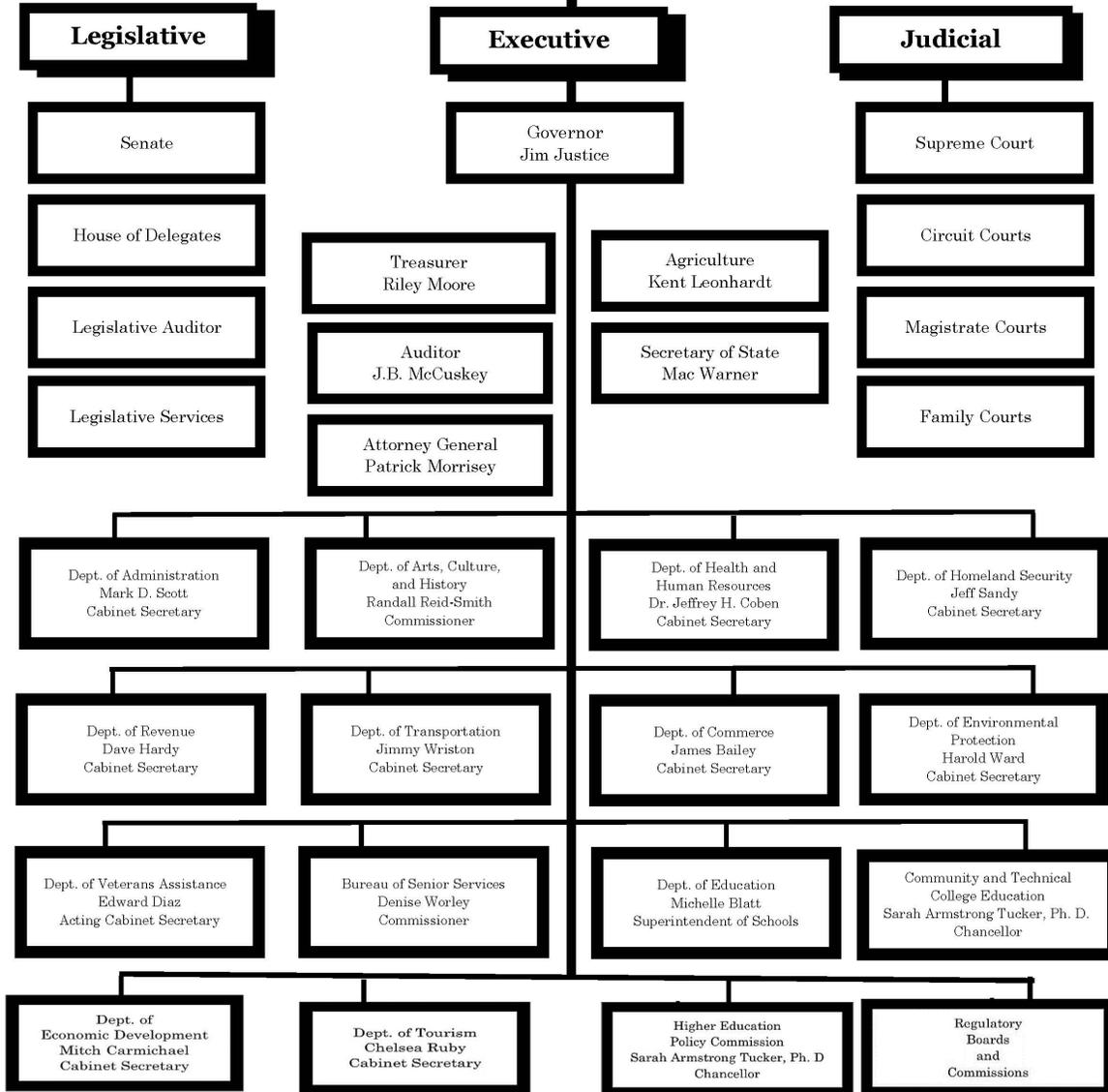
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATION CHART



As of June 30, 2023

State of WEST VIRGINIA Principal Officials

Executive Branch	Legislative Branch	Judicial Branch
Governor Jim Justice	Senate President Craig Blair	Supreme Court Chief Justice John A. Hutchison
Agriculture Commissioner Kent Leonhardt	Speaker of the House Roger Hanshaw	Supreme Court Justice Tim Armstead
Attorney General Patrick Morrisey	Chairman Senate Finance Eric Tarr	Supreme Court Justice Haley Bunn
State Auditor J.B. McCuskey	Chairman House Finance Vernon Criss	Supreme Court Justice Elizabeth D. Walker
Secretary of State Mac Warner		Supreme Court Justice William R. Wooten
State Treasurer Riley Moore		

Financial Section



Report of Independent
Auditors

Management's Discussion
and Analysis



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Report of Independent Auditors

The Honorable Jim Justice, Governor
of the State of West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of West Virginia (the State), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State’s basic financial statements as listed in the table of contents (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State at June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities or funds within the governmental activities, the business-type activities, the aggregate discretely presented component units, certain major funds, and certain entities or funds within the aggregate remaining fund information, which represent 61% of total assets, 66% of net position, and 11% of total revenues for the governmental activities; 94% of total assets, 95% of net position, and 48% of total revenues for the business-type activities; 100% of total assets, net position, and revenues for the aggregate discretely presented component units; 98% of total assets, 98% of fund balance, and 99% of revenues of the major Transportation Fund; 100% of total assets, fund balance/net position, and revenues of each of the following major funds—Tobacco Settlement Finance Authority, State Road Fund, Water Pollution Control Revolving Fund, Workers’ Compensation, Unemployment Compensation, West Virginia Infrastructure and Jobs Development Council, and Board of Risk and Insurance Management; and



92% of total assets, 93% of net position, and 45% of the total revenues for the aggregate remaining fund information, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain entities or funds within the governmental activities, the business-type activities, the aggregate discretely presented component units, certain major funds, and certain entities or funds within the aggregate remaining fund information, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the general fund and each major special revenue fund, Schedules of the State's Proportionate Share of the Net Pension Liability (Asset), Schedules of State's Contributions for Pension Plans, Schedules of Changes in the State's Net Pension Liability (Asset) and Related Ratios, Schedule of the State's Proportionate share of the Net OPEB Liability (Asset), and Schedules of State Contributions for the OPEB Plan on pages 6 through 21 and 202 through 234 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency



with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion and the report of other auditors, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst + Young LLP

December 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of West Virginia's (the State) Annual Comprehensive Financial Report presents management's discussion and analysis of the State's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the State's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

The assets and deferred outflows of resources of the primary government exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16 billion, reported as net position. Governmental activities reported \$13.4 billion in net position, a \$2.2 million increase, up 19% from last year, while the business-type activities reported net position of \$2.6 billion, an \$102 million increase.

Fund Level

At year-end, the governmental funds reported combined fund balances of \$7.4 billion, an increase of \$758 million, or 11% higher than the prior year. The unrestricted fund balance, including the committed, assigned, and unassigned balances, was \$5.3 billion. The nonspendable balance was \$115 million, and \$2 billion was restricted to capital projects, debt service, general government operations, development, tourism and recreation, education, health and social services, public protection, and transportation.

Long-Term Obligations

There was a net increase in the State's long-term obligations of \$972 million. The Governmental Activities increased by \$987 billion and the Business-type Activities decreased by \$15 million. The net increase of \$972 million primarily consisted of an increase in net pension liability in the amount of \$1.1 billion, an increase in other net postemployment benefit liability of \$72 million, a decrease of \$8.5 million in accrued and other liabilities, and an increase in payments on bonds, other financing debt, and notes payable in the amount of \$207 million. The increase in accrued and other liabilities is related to an increase in Medicaid of \$25 million, an increase of \$23 million in taxes, and a decrease of \$34 million in claims and judgments.

The insurance and compensation benefits liability decreased \$7 million. The increase consisted of an \$81 million increase at the Board of Risk and Insurance Management (BRIM) due to an increase in estimated claims expense, an increase in unpaid claims. There was an \$88 million decrease at the Offices of the Insurance Commissioner due to an increase in claims paid. See Note 16 for a more detailed explanation about risk management.

See Notes 11 and 12 for more information relating to bonds, right-to-use leases, other financing debt, and notes payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the State of West Virginia's basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements.

The basic financial statements include two kinds of statements that present different views of the State. The statement of net position and the related statement of activities are *government-wide financial statements* that provide both long-term and short-term information about the State's overall financial status. The remaining statements are *fund financial statements* that focus on individual parts of the State's government, reporting the State's operations in more detail than the government-wide statements. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that presents budgetary comparisons, pension plans, and Other Postemployment Benefits (OPEB) plan information as required by the Governmental Accounting Standards Board (GASB). In addition to these required elements, we have included a *combining financial statements and schedules* section that provides more details about our nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component units.

Government-wide Statements (Reporting the State as a Whole)

The statement of net position and the statement of activities together comprise the government-wide statements, which report information about the State as a whole using the full accrual basis of accounting, similar to those used by private-sector companies. This means all revenues and expenses are recognized regardless of whether cash has been received or paid, and all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the State's net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, and how they have changed from the prior year. In evaluating the State's overall condition, additional nonfinancial factors should be considered, such as the State's economic outlook, changes in its demographics, and the condition of its capital assets, including infrastructure.

The activities on the government-wide financial statements are divided into three categories:

- *Governmental activities* – Most of the State's basic services are included under these activities, such as education, health and human resources, military affairs and public safety, judicial, and administration. Personal income taxes and consumer sales taxes finance most of these activities.
- *Business-type activities* – The State charges fees to customers to help it cover all or a significant portion of the costs of certain services it provides. The West

Virginia Public Employees Insurance Agency and BRIM, among other funds, are examples of these activities.

- *Component units* – The State includes several other entities in its report for which it is financially accountable, such as the West Virginia Housing Development Authority, Lottery, Parkways Authority, and Higher Education. Separately issued financial statements are also available for these component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the State's *major funds*, not the State as a whole. Funds are accounting devices that the State uses to track specific sources of funding and spending for particular purposes. Certain funds are required by the West Virginia Constitution, and others are required by bond covenants. The State Legislature establishes other funds to control and manage money for particular purposes or to show that certain taxes and grants are used properly.

The State has three kinds of funds:

- *Governmental funds* – Most of the State's basic services are included in governmental funds, which focus on (1) *cash and other financial assets* that may readily be converted to cash flow in and out and (2) the balances left at year-end available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view to help determine whether there are more or fewer financial resources that may be spent in the near future to finance the State's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the pages immediately following each statement, explaining the relationship (or differences) between them and the government-wide statements.
- *Proprietary funds* – Proprietary funds include enterprise funds and internal service funds. They account for state activities that are operated in a manner similar to private-sector businesses. Like the government-wide statements, proprietary fund statements are presented using the accrual basis of accounting and provide both long- and short-term financial information. Services for which the State charges external customers a fee are generally reported in enterprise funds. Activities where customers are mostly other state agencies are accounted for in internal service funds. The internal service funds are consolidated with the governmental activities on the government-wide statements because they predominantly benefit the governmental rather than business-type activities.
- *Fiduciary funds* – Fiduciary funds account for assets held for the benefit of parties outside of state government. The State is the trustee, or *fiduciary*, for its employees' pension plans and other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are comprised of pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The State is responsible for

ensuring that the assets reported in these funds are used for their intended purposes. All of the State's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position, where applicable. These funds are excluded from the State's government-wide financial statements because the State cannot use these assets to finance its operations.

Reconciliation Between Government-wide and Fund Statements

The financial statements contain schedules that reconcile the differences between the government-wide financial statements (long-term focus, accrual accounting) and the fund financial statements (short-term focus, modified accrual accounting). The following summarizes the primary differences between modified accrual to accrual accounting:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlay spending results in expenditures on the governmental fund statements; however, on the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. The excess of capital outlay over depreciation expense is included on the government-wide statement of activities.
- Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities on the government-wide statement of net position.
- Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net revenue of the internal service funds are reported with governmental activities on the government-wide statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but are deferred inflows of resources on the governmental fund statements.
- Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues and expenditures in the funds.
- Net pension and OPEB liabilities or assets, along with related deferrals, are reported on the government-wide statements but not reported in the funds.

Notes to the Financial Statements

The notes provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information

Following the basic financial statements is the required supplementary information related to budgetary comparison schedules for the governmental funds, with legally adopted annual budgets, pension plans, and OPEB plan information, along with notes with explanatory information.

Combining Financial Statements and Schedules

The combining financial statements and schedules include combining statements for the State's nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component units.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The chart below represents financial information derived from the government-wide statement of activities and reflects the State's net position as of June 30, 2023 and 2022 (expressed in thousands):

Net Position as of June 30 (Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 10,291,743	\$ 10,697,454	\$ 4,367,871	\$ 4,338,444	\$ 14,659,614	15,035,898
Capital Assets	11,000,686	10,570,135	2,527	2,641	11,003,213	10,572,776
Total Assets	21,292,429	21,267,589	4,370,398	4,341,085	25,662,827	25,608,674
Deferred Outflows of Resources	1,367,998	1,386,954	2,901	3,248	1,370,899	1,390,202
Current and Other Liabilities	2,547,860	3,217,276	493,223	457,982	3,041,083	3,675,258
Long-term Liabilities	6,289,100	5,297,905	1,247,619	1,348,455	7,536,719	6,646,360
Total Liabilities	8,836,960	8,515,181	1,740,842	1,806,437	10,577,802	10,321,618
Deferred Inflows of Resources	414,596	2,888,537	987	8,014	415,583	2,896,551
Net Position						
Net Investment in Capital Assets	10,966,906	9,119,557	2,527	3,113	10,969,433	9,122,670
Restricted	1,345,594	1,557,217	2,403,762	2,356,490	3,749,356	3,913,707
Unrestricted	1,096,371	574,051	225,181	170,279	1,321,552	744,330
Total Net Position	\$ 13,408,871	\$ 11,250,825	\$ 2,631,470	\$ 2,529,882	\$ 16,040,341	\$ 13,780,707

Comparing June 30, 2023 to June 30, 2022, government-wide balances, current and other assets decreased \$376 million due to a \$281 million increase in cash and cash equivalents primarily from a stronger than expected revenue collections along with higher investment earnings from the prior year. Also, due to changes in assumptions and return on investments for both the pension and OPEB funds, a decrease in assets of \$567 million was recorded in FY 23. Current and other liabilities decreased \$634 million primarily due to a decrease in unearned revenue of \$671 million related to the deferral of unspent American Recovery Plan Act funds received in fiscal year 2022 spent in fiscal year 2023.

Long-term liabilities increased \$890 million due to the change from an asset to a liability in FY 23 for both pension and OPEB and a decrease in bond payments of \$207 million. Significant changes in capital assets and long-term liabilities are discussed later in this Management's Discussion and Analysis.

Deferred Inflows decreased by \$2.5 billion primarily due to changes in actuarial assumptions and methodology for pension and OPEB.

The State's combined net position, governmental and business-type, increased \$2.3 billion over the course of this fiscal year's operations. The net position of the governmental activities increased \$2.2 billion, and the net position of the business-type activities increased \$102 million. The increase in net position is due to the changes in net position described on the following pages.

Net Position

The largest component of the State's net position is the amount invested in capital assets (e.g., land, buildings, equipment, infrastructure, and others), less any related debt outstanding needed to acquire or construct the assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. Capital assets are used to provide services to citizens; therefore, they are not available for future spending or to pay off their related liabilities.

Restricted net position composes 23% of total net position and is subject to constitutional, legal, or external constraints on how it can be used. Net position that is restricted include funds for construction projects, debt service, lending activities, insurance activities, transportation, public protection, and economic development and tourism programs of the State.

Changes in Net Position

The chart below represents financial information derived from the government-wide statement of activities and reflects the State's total revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022 (expressed in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 532,109	\$ 485,135	\$ 1,045,859	\$ 1,037,545	\$ 1,577,968	\$ 1,522,680
Operating Grants and Contributions	8,824,224	9,142,136			8,824,224	9,142,136
Capital Grants and Contributions	720,646	554,425			720,646	554,425
General Revenues:						
Personal Income Tax	2,629,514	2,522,395			2,629,514	2,522,395
Consumer Sales Tax	1,920,175	1,812,684			1,920,175	1,812,684
Business Taxes	1,454,652	1,372,786			1,454,652	1,372,786
Transportation Taxes	762,227	719,812			762,227	719,812
Other Taxes	709,891	682,018			709,891	682,018
Lottery Revenue	377,630	372,001	46,000	46,000	423,630	418,001
Other Revenue	757,769	101,370	107,498	79,319	865,267	180,689
Total Revenue	18,688,837	17,764,762	1,199,357	1,162,864	19,888,194	18,927,626
Program Expenses:						
Legislative	22,083	22,161			22,083	22,161
Judicial	107,734	68,095			107,734	68,095
Executive	350,893	622,666			350,893	622,666
Administration	318,337	287,847			318,337	287,847
Commerce	1,521,557	157,407			1,521,557	157,407
Environmental Protection	119,899	123,749			119,899	123,749
Employment Programs	63,160	59,131			63,160	59,131
Education	3,140,045	2,745,843			3,140,045	2,745,843
Health and Human Resources	8,147,013	7,828,170			8,147,013	7,828,170
Homeland Security	520,974	395,814			520,974	395,814
Revenue	118,889	58,449			118,889	58,449
Transportation	1,426,056	1,463,303			1,426,056	1,463,303
Veterans Assistance	20,692	15,216			20,692	15,216
Senior Services	56,410	51,537			56,410	51,537
Regulatory Boards and Commissions	146,684	368,609			146,684	368,609
Tourism	28,578	37,621			28,578	37,621
Economic Development	104,964	559,988			104,964	559,988
Arts, Culture and History	34,276	36,155			34,276	36,155
Interest on Long-Term Debt	152,565	154,682			152,565	154,682
Interest on Lease Liability	3,757	3,064			3,757	3,064
Water Pollution Control Revolving Fund			11,410	11,232	11,410	11,232
Workers' Compensation Fund			31,265	6,365	31,265	6,365
Unemployment Compensation			127,567	117,319	127,567	117,319
West Virginia Infrastructure and Jobs Development Council			43,835	44,395	43,835	44,395
Public Employees' Insurance Agency			675,684	708,037	675,684	708,037
Board of Risk and Insurance Management			177,118	173,129	177,118	173,129
Other Activity			119,032	123,729	119,032	123,729
Total Expenses	16,404,566	15,059,507	1,185,911	1,184,206	17,590,477	16,243,713
Increase (Decrease) in Net Position Before Transfers	2,284,271	2,705,255	13,446	(21,342)	2,297,717	2,683,913
Transfers	(88,142)	(32,932)	88,142	32,932	—	—
Increase (Decrease) in Net Position	2,196,129	2,672,323	101,588	11,590	2,297,717	2,683,913
Net Position, Beginning of Year as restated	11,212,742	8,578,502	2,529,882	2,518,292	13,742,624	11,096,794
Net Position, End of Year	\$ 13,408,871	\$ 11,250,825	\$ 2,631,470	\$ 2,529,882	\$ 16,040,341	\$ 13,780,707

Governmental Activities

For the year ended June 30, 2023, the State's change in net position before transfers decreased by \$421 million for governmental activities. Revenues increased by \$924 million, and expenses were also higher by \$1.3 billion comparing the years ended June 30, 2023 and 2022.

The revenue increase is primarily due to the increase in capital grants and contributions. The Department of Transportation received capital grants and contributions of \$712 million. This is an increase of \$161 million from prior year. These funds are related to Fixing America's Surface Transportation Act (FAST). FAST is a five-year surface transportation program authorizing funding for highway and public transportation investments. On November 15, 2021, Infrastructure Investment and Jobs Act was enacted and covers federal fiscal years 2022-2026. This Act will replace FAST. West Virginia's federal fiscal year 2023 apportionment was \$588 million, and the total obligation limitation was \$627.8 million.

Overall, tax revenue across all tax types increased \$367 million. Personal income tax revenue increased by \$107 million due a combination of wage growth in excess of 6% and a temporary bump in pass-through entity tax collections related to legislation passed in March 2023 which retroactively allowed pass-through entities to pay tax year 2022 state income tax on behalf of their owners. A strong equity market and consumer expenditure inflation caused increases in consumer sales and use taxes of \$107 million. Business tax revenues increased by \$82 million in 2023 due to higher corporate profits, energy prices for natural gas and oil, boosting severance tax collections. Transportation taxes increased \$42 million due to strong motor vehicle sales in FY 2023, which resulted in a significant increase in privilege tax collections.

Other revenue increased \$656 million. This was attributed primarily to a increase in investment earnings of \$395 million. Also, intergovernmental revenue for the Department of Transportation increased by \$158 million and collections for Unclaimed Property increased by \$78 million due to a change in Unclaimed Property holder reporting.

Program expenses increased approximately \$1.3 billion in total.

- Executive expenses decreased by \$272 million due to decreases in CARES Act and American Rescue Plan Act (ARPA) expenditures.
- Department of Health and Human Resources expenses were up \$319 million due to increased professional and contractual services and medical supplies along with increased costs for medical services.
- Education expenses were up \$394 million primarily due to an increase in pension expense as a result of a change in actuarial assumptions.
- Regulatory Boards and Commissions expenses increased by \$1.1 billion primarily due to \$482 million of ARPA monies being disbursed and \$705 in State appropriations being disbursed to be for infrastructure and economic development projects.
- Economic development expenditures decreased by \$455 million primarily due to decreases in expenditures related to Nucor Steel. In the prior year, the State incurred start up costs for Nucor Steel. Nucor selected Mason County, West Virginia, as the location for a state-of-the-art sheet steel mill.

The charts on the next pages depict revenues and expenses, respectively, of the governmental activities for the fiscal year. Approximately 36% of the total revenues came from personal income, consumer sales, business taxes, transportation, and other taxes, while 51% was in the form of grants and contributions (see Chart A). The State's governmental activities expenses include 50% for health and human resources and 19% for education (see Chart B).

Chart A

2023 Source of Revenue - Governmental Activities

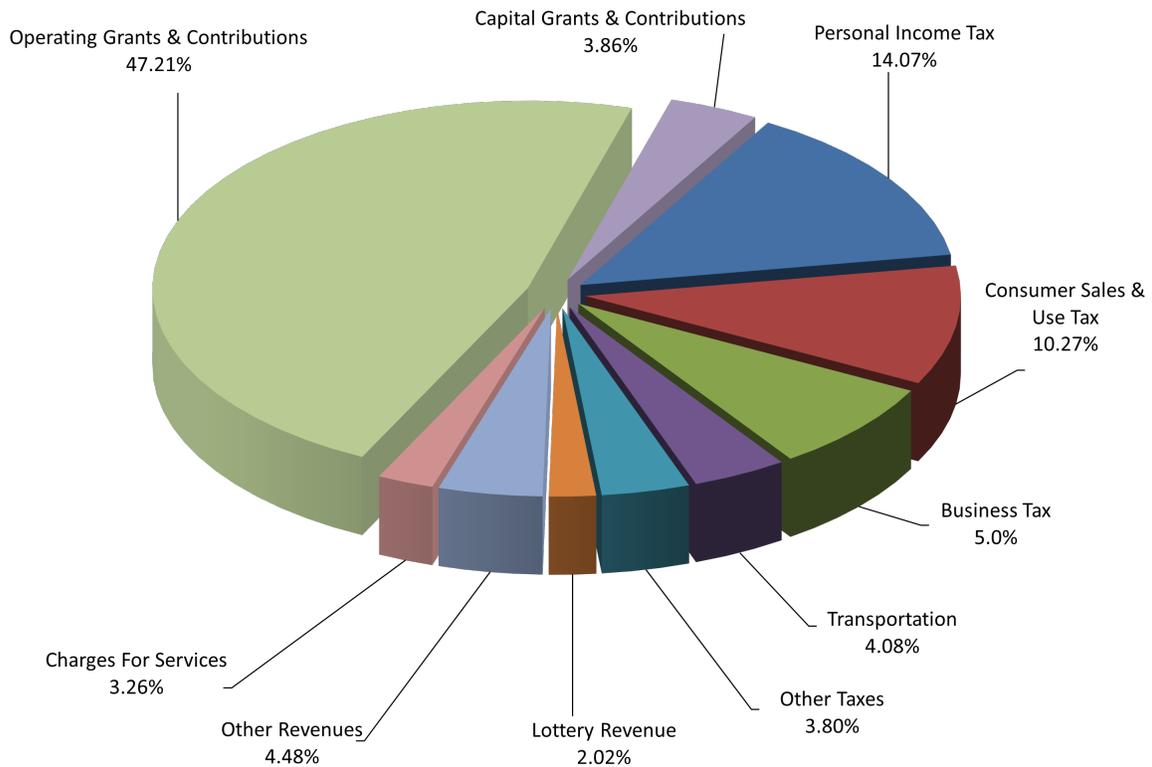
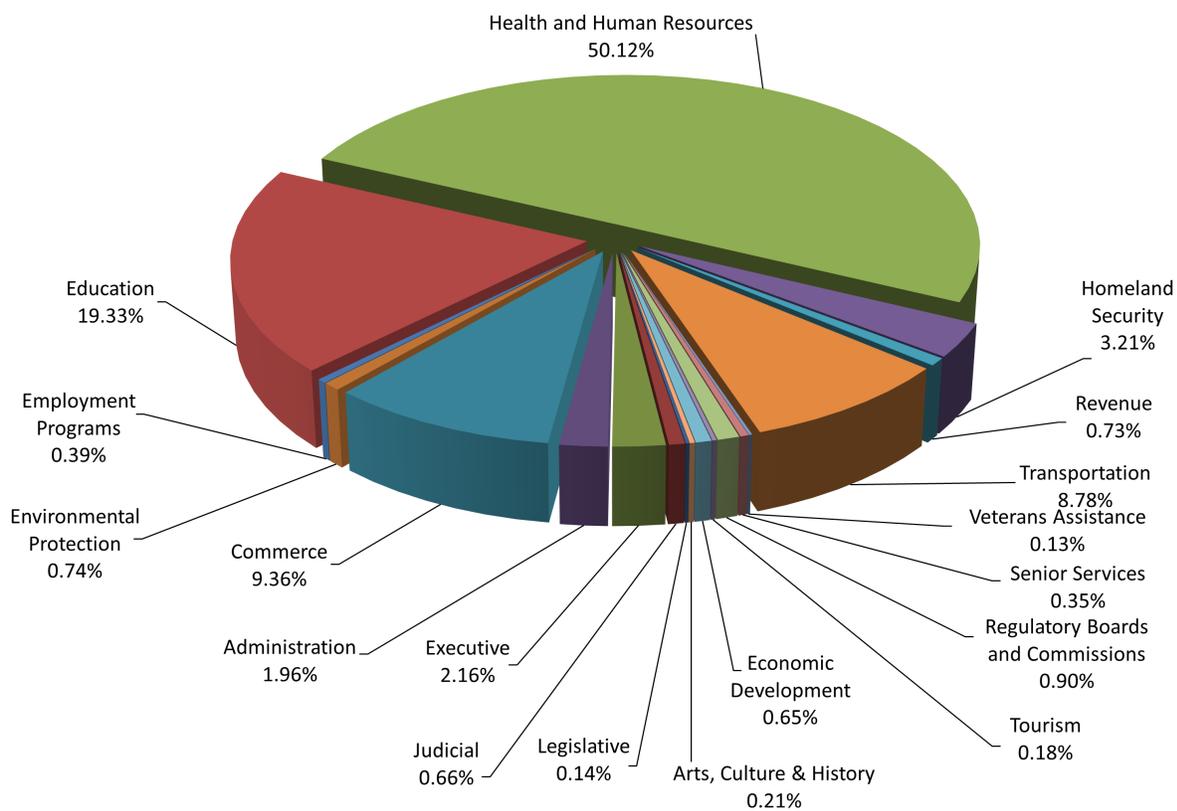


Chart B

2023 Functional Expenses - Governmental Activities



Business-type Activities

For the year ended June 30, 2023, business-type change in net position after transfers increased by \$90 million. Revenues increased by \$36 million and expense increased by \$2 million with transfers also increasing by \$55 million comparing the years ended June 30, 2023 and 2022. Significant contributors to these changes were:

- Other revenue increased by \$28 million due to investment earnings increasing \$265 million. Unemployment programs had a decrease in other operating revenue of \$249 million as a result of no additional Coronavirus Relief funds being received in FY 23. The Unemployment Compensation Fund also had an increase of \$10 million in corresponding Unemployment expenses. Additionally, there was a decrease in revenue due to the State Unemployment Insurance taxable wage base decreasing from \$12,000 to \$9,000.
- Premium revenue increased \$12.7 million due to the “Pay Go” premium decreasing in the current year, redirecting more of the health policy premium to Public Employees Insurance Agency (PEIA). In FY 23, PEIA also received a transfer from the rainy day reserve fund of \$31 million to help maintain the statutory reserve requirement of 10% of the projected plan costs.
- In FY 2023, Workers Compensation Fund received \$25 million in transfers from the Office of Insurance Commission operating fund to cover the prior year fund deficit.

FINANCIAL ANALYSIS OF THE STATE’S FUNDS

Governmental Funds

The focus of the State’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State’s financing requirements.

At the end of the current fiscal year, the State’s governmental funds reported a fund balance of \$7.4 billion, an increase of \$758 million in comparison to that of the prior year.

There was a net increase in revenue of \$838 million. This was a result of a number of factors. General fund revenue increased by \$341 million. This is primarily due to investment earnings increasing by \$322 million. Total tax revenues increased by \$321 million due to a strong equity market which provided for higher corporate profits and stronger consumer expenditure inflation in both personal income tax and business and consumer taxes. Expenses were up by \$1.2 billion, primarily due to spending of American Recovery Plan Act funds from many agencies.

Governmental Fund Balances at June 30, 2023
(Expressed in Thousands)

	General Fund	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Nonspendable	\$ 30,810	\$ 83,040	\$ —	\$ —	\$ 1,007	\$ 114,857
Restricted	26,071	449,685	478,799	836,866	236,938	2,028,359
Unrestricted						
Committed	115,050	—	—	—	336,160	451,210
Assigned	17,453	244,044	—	—	9,049	270,546
Unassigned	4,556,595	—	—	—	—	4,556,595
Total	\$ 4,745,979	\$ 776,769	\$ 478,799	\$ 836,866	\$ 583,154	\$ 7,421,567

The General Fund is the chief operating fund of the State. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of total General Fund expenditures, while total fund balance represents 31% of the same amount.

Cash and cash equivalents in the General Fund were up \$385 million, primarily due to stronger revenue collections. General fund revenues increased in fiscal year 2023 from 2022 by \$341 million. This increase is due primarily to investment earnings of \$322 million. Tax revenue increased by \$280 million. Revenues were \$987 million more than expenditures. Expenses for the General Fund also increased by \$1.2 billion, with the majority of the increase relating to the Regulatory board and commission function of \$1.1 billion in 2023. These expenditures are related to the ARPA funds and State appropriations to be used for infrastructure and economic development projects.

At June 30, 2023, Transportation's total fund balance increased by approximately \$31 million from 2022, primarily due to increases in motor fuel tax collections which increased \$12.8 million a result of increased consumer consumption and an increase to the motor fuel excise tax. The variable rate per invoiced gallon of fuel increased to 16.7 cents from 15.2 cents or 5% in the current fiscal year. Also, registration fee collections increased \$6.3 million and the privilege tax collections on automobiles increased \$17.4 million due to increased demand and purchase price of vehicles. Motor vehicles purchased in 2023 rose 21% from prior year.

The Tobacco Settlement Finance Authority's fund balance decreased by \$17.9 million, primarily due to the amortization of deferred tobacco revenue.

State Road fund balance decreased by \$123 million due to construction expenses related to the Roads to Prosperity initiative which are funded by General Obligation bonds.

At year-end, nonmajor governmental funds had a net decrease in fund balance of approximately \$1 million. There was a decrease of \$10 thousand in construction to the state parks. Restricted fund balance is \$237 million, of which \$62 million was available for debt service; \$14 million to fund capital projects; \$72 million for development, tourism and recreation; \$134 thousand for education; and \$88 million for public protection. Committed fund balance is \$336 million, \$7 million for general government operations, and \$329 million for public protection.

Proprietary Funds

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are composed of enterprise and internal service funds. Enterprise funds are used when services the State provides are charged to external customers. Internal service funds are used when services are provided to other state agencies. The six major enterprise funds include the Water Pollution Control Revolving Fund, Workers' Compensation Fund, Unemployment Compensation, West Virginia Infrastructure and Jobs Development Council, Public Employees Insurance Agency, and the Board of Risk and Insurance Management.

Other factors concerning the finances of the major enterprise funds have already been addressed in the discussion of business-type activities.

GENERAL REVENUE FUND BUDGETARY HIGHLIGHTS

The final amended budget revenues were lower than the amount originally anticipated. The general revenue fund budget to actual overall revenue variance was \$1.9 billion due to changes in revenue collection in several tax categories and other revenues. Personal income taxes increased \$474 million, consumer sales taxes increased \$240 million, corporate income/business franchise taxes increased by \$270 million, and severance tax increased \$696 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the State had invested \$11 billion, net of accumulated depreciation, in a broad range of capital assets shown below. Depreciation and amortization expense for the year totaled \$414 million.

Capital Assets at June 30, 2023 (Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022, as Restated	2023	2022, as Restated	2023	2022, as Restated
Land and Improvements	\$ 1,539,533	\$ 1,508,624	\$ 611	\$ 611	\$ 1,540,144	\$ 1,509,235
Building and Improvements	1,023,759	952,769	1,568	1,726	1,025,327	954,495
Right-to-Use Buildings	100,585	98,034	—	—	100,585	98,034
Equipment	167,904	154,428	137	93	168,041	154,521
Library Holdings	761	740	—	—	761	740
Intangibles - Software	75,114	84,254	211	211	75,325	84,465
Intangibles - Land Rights	2,752	2,752	—	—	2,752	2,752
Subscription Asset-SBITA	16,352	18,958	—	—	16,352	18,958
Construction in Progress	2,401,809	2,299,256	—	—	2,401,809	2,299,256
Infrastructure	5,672,117	5,454,523	—	—	5,672,117	5,454,523
Totals, Net of Accumulated Depreciation	<u>\$ 11,000,686</u>	<u>\$ 10,574,338</u>	<u>\$ 2,527</u>	<u>\$ 2,641</u>	<u>\$ 11,003,213</u>	<u>\$ 10,576,979</u>

The total increase, net of disposals, accumulated depreciation, and accumulated amortization, in the State's net investment in capital assets for the current fiscal year, approximated \$426 million. The most significant changes in capital assets during the year were in the Transportation and Commerce functions. Transportation continues to expand the state road system, focusing primarily on upgrading existing roadways and completing the Appalachian Highway Corridor.

The \$103 million increase in construction in progress is due to increased projects in Transportation and offset by completed projects in the Division of Natural Resources. Transportation saw an increase of \$722 million for various bridge and roadway projects, including construction related to the Coalfields Expressway in Wyoming County, Corridor H in Randolph County, and continued environmental studies on various projects in process, offset by a decrease of \$545 million for completed projects that were placed in service. The Division of Natural Resources increased construction by \$10 million for improvement projects to numerous state parks, while completing \$65 million in construction projects.

The \$218 million increase in infrastructure is due primarily to Transportation's completed projects of \$518 million, offset by depreciation expense of \$299 million. Additional information concerning the State's capital assets can be found in Note 10 of this report and under the capital assets heading in Note 1.

Long-Term Debt

At year-end, the State had \$9.3 billion in bonds, other financing debt, notes payable, claims and judgments, compensated absences, right to use lease liability, net pension and OPEB liability, and other long-term obligations outstanding, as shown in the following table. The State’s general obligation bonds are rated AA by Fitch Investors Service, Moody’s Investors Service rating is Aa2, and Standard & Poor’s Corporation have an AA-rating.

The State’s general obligation debt must be authorized by constitutional amendment. A proposed amendment must be approved by two-thirds of both the Senate and the House of Delegates before it can be ratified or rejected by the voters. Once the amendment has voter approval, the Legislature must pass specific legislation authorizing the issuance of the general obligation debt. Revenue bonds are issued pursuant to specific statutory provisions enacted by the Legislature primarily for the purpose of financing capital construction. Neither the West Virginia Constitution nor its statutes establish a general limit on any type of debt, although certain agencies have debt limits in their specific Code sections.

**Outstanding Debt at June 30
(Expressed in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 1,890,099	\$ 1,982,665	\$ —	\$ —	\$ 1,890,099	\$ 1,982,665
Revenue Bonds	1,229,363	1,303,621	144,165	151,565	1,373,528	1,455,186
Other Financing Debt	150,425	171,740	—	—	150,425	171,740
Notes Payable	18,094	29,025	—	—	18,094	29,025
Accrued and Other Liabilities	1,413,891	1,421,209	11,200	12,349	1,425,091	1,433,558
Insurance and Compensation Benefits	—	—	1,540,729	1,547,980	1,540,729	1,547,980
Compensated Absences	98,905	94,215	664	627	99,569	94,842
Right to Use Lease Liability	103,877	99,993	—	—	103,877	99,993
Subscription Liability-SBITA	15,927	—	—	—	15,927	—
Net Pension Liability	2,565,363	1,468,673	716	—	2,566,079	1,468,673
Net OPEB Liability	71,754	—	166	—	71,920	—
Totals	<u>\$ 7,557,698</u>	<u>\$ 6,571,141</u>	<u>\$ 1,697,640</u>	<u>\$ 1,712,521</u>	<u>\$ 9,255,338</u>	<u>\$ 8,283,662</u>

In FY 23 the State implemented GASB 96, “Subscription Based Information Technology Arrangements,” which resulted in a subscription asset with a lease liability of \$16 million. No new debt was issued. The decrease in general obligation and revenue bonds was due to debt service payments. Net Pension Liability increased by \$1 billion primarily due contribution revenue being lower than prior year and funding the retirement system based on investment assumptions that the State would receive 7.5% return on invested assets. Returns in the current fiscal year were below expectations. Net OPEB Liability increased by \$72 million primarily due to changes in demographics and change in actuarial assumptions and methodologies. See Notes 11 for more information relating to the State’s long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The general revenue estimate for FY 2024 is projected to be \$4.88 billion. Our current FY 2023 General Revenue actual collections are projected to be more than the official revenue estimate by as much as \$1.9 billion. The Lottery Funds’ actual revenue collections for FY 2023 were more than their original estimates. Lottery revenues are projected to remain flat in FY 2023 and remain that way through FY 2028.

The budget for FY 2024 includes significant expenditure decreases for economic development, environment and transportation. The decrease in expenditures is consistent with the commitment to provide a balanced budget and long-term fiscal stability.

CONTACTING THE STATES FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State’s finances and to demonstrate the State’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Financial Accounting and Reporting Section, 2101 Washington St. East, Building 17, 3rd Floor, Charleston, WV 25305.



Basic Financial Statements



Government-Wide

Major Funds

Notes 1-18

**Statement of Net Position
June 30, 2023
(Expressed in Thousands)**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 6,863,788	\$ 2,030,753	\$ 8,894,541	\$ 2,489,350
Investments	1,035,488	105,604	1,141,092	153,640
Receivables, Net	1,168,358	152,482	1,320,840	323,994
Other Financing Receivable from Primary Government	—	—	—	16,578
Due from Other Governments	674,568	2,236	676,804	146
Due from Primary Government	—	—	—	28,937
Due from Fiduciary Funds	115	7,908	8,023	—
Due from Component Units	258,085	8,297	266,382	—
Internal Balances	693	(693)	—	—
Inventories	95,790	42	95,832	22,437
Other Assets	2,668	15,255	17,923	27,480
Restricted Assets:				
Cash and Cash Equivalents	2,261	165,493	167,754	320,677
Investments	—	—	—	87,977
Receivables, Net	—	2,271	2,271	2,794
Other Restricted Assets	—	235,648	235,648	4
Total Current Assets	10,101,814	2,725,296	12,827,110	3,474,014
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	106,122
Investments	—	285,952	285,952	739,098
Receivables, Net	—	1,321,869	1,321,869	309,216
Other Financing Receivable from Primary Government	—	—	—	133,847
Other Assets	89	—	89	102,865
Advance to Component Units	17,324	—	17,324	—
Net Pension Asset	147,276	—	147,276	—
Restricted Assets:				
Cash and Cash Equivalents	25,240	372	25,612	582,609
Investments	—	33,547	33,547	89,756
Receivables, Net	—	835	835	876,738
Other Restricted Assets	—	—	—	3,247
Land and Other Capital Assets Not Being Depreciated	3,924,376	611	3,924,987	356,758
Capital Assets, Being Depreciated (Net of Accumulated Depreciation and Amortization)	7,076,310	1,916	7,078,226	4,030,006
Total Noncurrent Assets	11,190,615	1,645,102	12,835,717	7,330,262
Total Assets	21,292,429	4,370,398	25,662,827	10,804,276
Deferred Outflows of Resources:				
Accumulated decrease in fair value of hedging derivative instrument	—	—	—	34,142
Deferred Loss on Bond Refundings	48,297	578	48,875	7,116
Related to Pensions	1,098,439	1,960	1,100,399	50,383
Related to OPEB	221,262	363	221,625	34,956
Total Deferred Outflows of Resources	1,367,998	2,901	1,370,899	126,597

The accompanying notes are an integral part of the financial statements.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities:				
Current Liabilities:				
Accounts Payable	582,690	12,649	595,339	162,294
Interest Payable	10,083	—	10,083	14,535
Accrued and Other Liabilities	990,758	11,200	1,001,958	303,322
Due to Other Governments	615,856	152	616,008	—
Due to Primary Government	—	—	—	266,382
Due to Fiduciary Funds	278	1	279	817
Due to Component Units	28,180	757	28,937	—
Unearned Revenue	42,175	29,643	71,818	1,040,271
Insurance and Compensation Benefits Obligations	—	431,007	431,007	—
General Obligation Debt	100,705	—	100,705	—
Revenue Bonds Payable	69,247	7,685	76,932	156,563
Right to Use Lease Liability	17,728	—	17,728	8,761
Right to Use Software Liability	3,921	—	3,921	15,130
Other Financing Debt	6,086	—	6,086	14,781
Other Financing Debt Payable to Component Units	16,578	—	16,578	—
Compensated Absences	63,575	129	63,704	58,485
Total Current Liabilities	2,547,860	493,223	3,041,083	2,041,341
Noncurrent Liabilities:				
Accrued and Other Liabilities	423,133	—	423,133	114,969
Unearned Revenue	—	—	—	315
Insurance and Compensation Benefits Obligations	—	1,109,722	1,109,722	—
Advances from Primary Government	—	—	—	17,324
Liabilities Payable from Restricted Assets	—	—	—	183,241
General Obligation Debt	1,789,394	—	1,789,394	—
Revenue Bonds Payable	1,160,116	136,480	1,296,596	2,780,125
Right to Use Lease Liability	86,149	—	86,149	100,119
Right to Use Software Liability	12,006	—	12,006	17,992
Other Financing Debt	12,008	—	12,008	195,918
Other Financing Debt Payable to Component Units	133,847	—	133,847	—
Net Pension Liability	2,565,363	716	2,566,079	23,670
Net OPEB Liability	71,754	166	71,920	16,977
Compensated Absences	35,330	535	35,865	16,248
Total Noncurrent Liabilities	6,289,100	1,247,619	7,536,719	3,466,898
Total Liabilities	8,836,960	1,740,842	10,577,802	5,508,239
Deferred Inflows of Resources:				
Gain on Bond Refundings	—	—	—	477
Related to Pensions	115,563	15	115,578	4,494
Related to OPEB	357,621	972	358,593	79,915
Service Concession Arrangements	—	—	—	39,559
Grants and Contributions	—	—	—	782
Claim Settlements	(58,588)	—	(58,588)	—
Related to Leases	—	—	—	13,711
Related to PPP	—	—	—	17,771
Total Deferred Inflows of Resources	414,596	987	415,583	156,709
Net Position:				
Net Investment in Capital Assets	10,966,906	2,527	10,969,433	2,896,714
Restricted for:				
Capital Projects	—	—	—	19,989
Debt Service	558,254	—	558,254	848,960
General Government Operations	8,349	4,449	12,798	—
Pension Asset	147,276	—	147,276	—
Permanent Funds:				
Nonexpendable	1,000	—	1,000	380,561
Expendable	134	—	134	—
Lending Activities	—	1,811,543	1,811,543	138,085
Insurance Activities	—	587,770	587,770	—
Development, Tourism, and Recreation	89,013	—	89,013	—
Education	214	—	214	—
Health and Social Services	1,359	—	1,359	—
Public Protection	89,332	—	89,332	—
Transportation	449,685	—	449,685	—
Specific Fund/Component Unit Purposes	—	—	—	410,042
Unrestricted	1,097,349	225,181	1,322,530	571,574
Total Net Position	\$ 13,408,871	\$ 2,631,470	\$ 16,040,341	\$ 5,265,925

**Statement of Activities
For the Fiscal Year Ended June 30, 2023**

(Expressed in Thousands)

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions				
Primary Government:				
Governmental Activities:				
Legislative	\$ 22,083	\$ 991	\$ 348	\$ —
Judicial	107,734	1,528	2,614	—
Executive	350,893	14,573	739,380	—
Administration	318,337	78,831	—	—
Commerce	163,917	55,174	74,603	—
Environmental Protection	119,899	63,482	90,079	—
Employment Programs	63,160	—	65,875	—
Education	3,140,045	—	879,614	—
Health and Human Resources	8,147,013	36,519	6,626,910	—
Homeland Security	520,974	19,008	181,855	172
Revenue	118,889	14,062	3,713	—
Transportation	1,426,056	196,251	—	717,426
Veterans Assistance	20,692	390	8,682	3,048
Senior Services	56,410	1,238	27,615	—
Regulatory Boards and Commissions	1,504,324	49,311	54,465	—
Tourism	28,578	1	1,718	—
Economic Development	104,964	—	57,540	—
Arts, Culture and History	34,276	749	9,213	—
Interest on Long-Term Debt	152,565	—	—	—
Interest on Lease Liability	3,757	—	—	—
Total Governmental Activities	16,404,566	532,108	8,824,224	720,646
Business-type Activities:				
Water Pollution Control Revolving Fund	11,410	6,619	—	—
Workers' Compensation Fund	31,265	674	—	—
Unemployment Compensation	127,567	154,019	—	—
West Virginia Infrastructure and Jobs Development Council	43,835	3,389	—	—
Public Employees' Insurance Agency	675,684	641,968	—	—
Board of Risk and Insurance Management	177,118	86,433	—	—
Other Activities	119,032	152,757	—	—
Total Business-type Activities	1,185,911	1,045,859	—	—
Total Primary Government	17,590,477	1,577,967	8,824,224	720,646
Component Units:				
West Virginia Lottery	1,343,243	1,324,537	—	—
Economic Development Authority	52,899	4,479	—	—
Housing Development Authority	181,704	41,338	150,693	—
Parkways Authority	123,832	188,849	—	—
Water Development Authority	15,666	18,294	—	—
Higher Education	2,231,039	891,990	649,655	77,011
Regional Jail Authority	440,336	111,273	14,671	—
School Building Authority	114,042	—	—	—
Other Component Units	117,959	10,244	3,345	13,105
Total Component Units	\$ 4,620,720	\$ 2,591,004	\$ 818,364	\$ 90,116
General Revenues:				
Taxes:				
Personal Income				
Consumer Sales				
Business				
Medicaid				
Transportation				
Other				
Grants and Contributions not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Tobacco Settlement Revenue				
Payments from State of West Virginia				
Lottery Revenues				
Miscellaneous				
Other Financing Sources				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, Beginning of Year, as restated				
Net Position, End of Year				

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (20,744)	\$ —	\$ (20,744)	\$	—
(103,592)	—	(103,592)		—
403,060	—	403,060		—
(239,506)	—	(239,506)		—
(34,140)	—	(34,140)		—
33,662	—	33,662		—
2,715	—	2,715		—
(2,260,431)	—	(2,260,431)		—
(1,483,584)	—	(1,483,584)		—
(319,939)	—	(319,939)		—
(101,114)	—	(101,114)		—
(512,379)	—	(512,379)		—
(8,572)	—	(8,572)		—
(27,557)	—	(27,557)		—
(1,400,548)	—	(1,400,548)		—
(26,859)	—	(26,859)		—
(47,424)	—	(47,424)		—
(24,314)	—	(24,314)		—
(152,565)	—	(152,565)		—
(3,757)	—	(3,757)		—
<u>(6,327,588)</u>	<u>—</u>	<u>(6,327,588)</u>		<u>—</u>
—	(4,791)	(4,791)		—
—	(30,591)	(30,591)		—
—	26,452	26,452		—
—	(40,446)	(40,446)		—
—	(33,716)	(33,716)		—
—	(90,685)	(90,685)		—
—	33,725	33,725		—
—	(140,052)	(140,052)		—
<u>(6,327,588)</u>	<u>(140,052)</u>	<u>(6,467,640)</u>		<u>—</u>
—	—	—		(18,706)
—	—	—		(48,420)
—	—	—		10,327
—	—	—		65,017
—	—	—		2,628
—	—	—		(612,383)
—	—	—		(314,392)
—	—	—		(114,042)
—	—	—		(91,265)
—	—	—		<u>(1,121,236)</u>
2,629,514	—	2,629,514		—
1,920,175	—	1,920,175		—
1,454,652	—	1,454,652		—
301,981	—	301,981		—
762,227	—	762,227		—
407,910	—	407,910		—
—	—	—		3,871
276,718	94,074	370,792		141,294
59,359	—	59,359		—
—	—	—		1,106,293
377,630	46,000	423,630		800
399,221	13,424	412,645		847,209
22,472	—	22,472		—
(88,142)	88,142	—		—
<u>8,523,717</u>	<u>241,640</u>	<u>8,765,357</u>		<u>2,099,467</u>
2,196,129	101,588	2,297,717		978,231
11,212,742	2,529,882	13,742,624		4,287,694
<u>\$ 13,408,871</u>	<u>\$ 2,631,470</u>	<u>\$ 16,040,341</u>	<u>\$</u>	<u>5,265,925</u>



GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS

Major Funds

General: This Fund is used as the State's operating fund. It accounts for the financial resources and transactions that are not accounted for in other funds. The revenues are from taxes and other general revenues.

Transportation: The governmental fund types of the Department of Transportation (Transportation) are included in this Fund. The Division of Highways has statutory responsibility for the construction, maintenance, and improvement of all state roads. Transportation expenditures funded by registration fees, license fees, and automobile privilege taxes (fees and taxes) are recorded in the State Road Fund within the Division of Highways. These fees and taxes, among other revenue sources, are collected by the Division of Motor Vehicles, which is also in Transportation. Transportation also includes the Division of Public Transit, which administers all federal and state programs that develop public transportation facilities, services, equipment, and methods; the West Virginia Aeronautics Commission, which has general supervision and controls commercial, state, and municipal airports; and the West Virginia Public Port Authority.

The Tobacco Settlement Finance Authority: The Authority was created to issue revenue bonds related to the State's portion of the tobacco receipts from the Master Settlement Agreement between tobacco manufacturers and the covered states. The revenue bonds were sold June 26, 2007. See Note 11 for more information.

State Road: This constitutionally established Fund is operated within the Department of Transportation. Certain taxes, fees, and other revenue sources are expended for the construction and maintenance of roads.

Nonmajor governmental funds are presented, by fund type, beginning on page 238.

Balance Sheet
Governmental Funds
June 30, 2023
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Assets:						
Cash and Cash Equivalents	\$ 4,727,141	\$ 687,011	\$ 55,874	\$ 854,673	\$ 501,344	\$ 6,826,043
Investments	874,104	—	—	—	161,384	1,035,488
Receivables, Net	874,527	243,175	27,082	—	12,297	1,157,081
Due from Other Governments	666,048	—	—	—	8,520	674,568
Due from Other Funds	1,080	305	—	—	62	1,447
Due from Component Units	247,699	9,292	—	—	1,055	258,046
Advances to Component Units	17,324	—	—	—	—	17,324
Inventories	11,935	83,040	—	—	7	94,982
Other Assets	1,781	709	—	—	94	2,584
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	—	2,085	2,085
Total Assets	7,421,639	1,023,532	82,956	854,673	686,848	10,069,648
Deferred Outflows of Resources:						
Deferred Payments to Tobacco Settlement Finance Authority	—	—	422,693	—	—	422,693
Total Deferred Outflows of Resources	—	—	422,693	—	—	422,693
Total Assets and Deferred Outflows of Resources	\$ 7,421,639	\$ 1,023,532	\$ 505,649	\$ 854,673	\$ 686,848	\$ 10,492,341
Liabilities:						
Accounts Payable	\$ 325,665	\$ 174,497	\$ —	\$ 17,807	\$ 42,979	\$ 560,948
Accrued and Other Liabilities	1,105,961	15,397	—	—	17,457	1,138,815
Unearned Revenue	40,533	1,642	—	—	—	42,175
Due to Other Governments	570,193	2,669	—	—	42,725	615,587
Due to Other Funds	14,115	1,718	—	—	519	16,352
Due to Component Units	21,815	6,349	—	—	14	28,178
Total Liabilities	2,078,282	202,272	—	17,807	103,694	2,402,055
Deferred Inflows of Resources:						
Tax Revenue	174,685	—	—	—	—	174,685
Tobacco Settlement Revenue	—	—	26,850	—	—	26,850
Advances to Tobacco Settlement Finance Authority	422,693	—	—	—	—	422,693
Claim Settlements	—	44,491	—	—	—	44,491
Total Deferred Inflows of Resources	597,378	44,491	26,850	—	—	668,719

The accompanying notes are an integral part of the financial statements.

	<u>General</u>	<u>Transportation</u>	<u>Tobacco Settlement Finance Authority</u>	<u>State Road</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances:						
Nonspendable:						
Inventories	11,935	83,040	—	—	7	94,982
Permanent Fund	—	—	—	—	1,000	1,000
Receivables	18,875	—	—	—	—	18,875
Restricted for:						
Capital Projects	—	—	—	836,866	14,249	851,115
Debt Service	—	—	478,799	—	62,456	541,255
Government Operations	6,252	—	—	—	—	6,252
Development, Tourism, and Recreation	16,625	—	—	—	72,388	89,013
Education	214	—	—	—	134	348
Health and Social Services	1,359	—	—	—	—	1,359
Public Protection	1,621	—	—	—	87,711	89,332
Transportation	—	449,685	—	—	—	449,685
Committed to:						
General Government Operations	35,971	—	—	—	6,851	42,822
Development, Tourism, and Recreation	13,475	—	—	—	—	13,475
Education	17,140	—	—	—	—	17,140
Health and Social Services	44,304	—	—	—	—	44,304
Public Protection	4,160	—	—	—	329,309	333,469
Assigned to:						
Government Operations	10,423	—	—	—	—	10,423
Development, Tourism, and Recreation	2,382	—	—	—	—	2,382
Education	1,478	—	—	—	—	1,478
Health and Social Services	2,387	—	—	—	4,159	6,546
Public Protection	783	—	—	—	4,890	5,673
Transportation	—	244,044	—	—	—	244,044
Unassigned	4,556,595	—	—	—	—	4,556,595
Total Fund Balance	<u>4,745,979</u>	<u>776,769</u>	<u>478,799</u>	<u>836,866</u>	<u>583,154</u>	<u>7,421,567</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 7,421,639</u>	<u>\$ 1,023,532</u>	<u>\$ 505,649</u>	<u>\$ 854,673</u>	<u>\$ 686,848</u>	<u>\$ 10,492,341</u>

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2023

(Expressed in Thousands)

Total Fund Balances - Governmental Funds	\$	7,421,567
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (excluding Internal Service Funds) consist of:		
Land	\$	1,505,482
Construction-in-Progress		2,374,569
Infrastructure Assets		14,064,264
Buildings, Equipment, and Other Depreciable Assets		2,097,406
Right-to-Use Assets - Buildings		131,603
Subscription-Based Information Technology Arrangements		20,836
Intangibles		52,183
Accumulated Depreciation		<u>(9,555,704)</u>
Total Capital Assets		10,690,639
The Net Pension Asset is not recognized at the fund level.		147,276
Certain tax and other revenues are earned but not available and therefore are deferred inflows of resources in the funds.		304,614
Deferred inflows of resources for pensions and OPEB (excluding Internal Service Funds) are reported in the statement of net position but not reported in the funds.		(470,449)
Internal Service Funds are used by management to charge the costs of certain activities, such as building rental and information services, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		314,739
Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are amortized over the life of the bonds in the statement of net position.		89
Deferred outflows of resources for pensions, OPEB, and loss on bond refundings (excluding Internal Service Funds) are reported in the statement of net position but not reported in the funds.		1,362,159
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities (excluding Internal Service Funds) consist of:		
General Obligation Bonds	(1,890,099)	
Revenue Bonds	(1,229,363)	
Other Financing Debt	(108,174)	
Right-to-Use Lease Liability	(101,968)	
Subscription-Based Information Technology Arrangements Liability	(15,927)	
Compensated Absences	(96,615)	
Net Pension Liability	(2,563,673)	
Net OPEB Liability	(71,433)	
Accrued Interest Payable and Other Liabilities	<u>(284,511)</u>	
Total Long-Term Liabilities		<u>(6,361,763)</u>
Net Position of Governmental Activities	\$	<u>13,408,871</u>

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Revenues:						
Taxes:						
Personal Income	\$ 2,614,991	\$ —	\$ —	\$ —	\$ —	\$ 2,614,991
Consumer Sales and Use	1,919,466	—	—	—	—	1,919,466
Severance	840,325	—	—	—	—	840,325
Corporate Net Income	433,695	—	—	—	—	433,695
Business and Occupation	116,404	—	—	—	—	116,404
Medicaid	300,994	—	—	—	—	300,994
Gasoline and Motor Carrier	—	439,560	—	—	—	439,560
Automobile Privilege	—	322,667	—	—	—	322,667
Other	404,682	3,000	—	—	—	407,682
Intergovernmental	7,504,550	717,426	—	—	147,798	8,369,774
Licenses, Permits, and Fees	112,650	7,080	—	—	136,700	256,430
Motor Vehicle Registration	—	144,626	—	—	—	144,626
Charges for Services	170,259	—	—	—	80	170,339
Lottery Revenues	362,088	—	—	—	10,648	372,736
SNAP Revenue	999,558	—	—	—	—	999,558
Investment Earnings	229,690	20,254	1,995	35,689	29,596	317,224
Other	228,312	173,296	59,532	—	9,936	471,076
Total Revenues	16,237,664	1,827,909	61,527	35,689	334,758	18,497,547
Expenditures:						
Current:						
Legislative	25,330	—	—	—	1,485	26,815
Judicial	148,943	—	—	—	—	148,943
Executive	377,969	—	—	—	—	377,969
Administration	157,514	—	155	—	2	157,671
Commerce	224,965	—	—	—	—	224,965
Environmental Protection	1	—	—	—	173,365	173,366
Employment Programs	—	—	—	—	65,842	65,842
Economic Development	108,816	—	—	—	—	108,816
Education	3,330,197	—	—	—	448	3,330,645
Arts, Culture, and History	36,829	—	—	—	—	36,829
Health and Human Resources	8,325,854	—	—	—	—	8,325,854
Homeland Security	611,915	—	—	—	—	611,915
Revenue	114,243	—	—	—	21,636	135,879
Tourism	30,533	—	—	—	—	30,533
Transportation	173,598	854,804	—	—	—	1,028,402
Veterans Assistance	25,916	—	—	—	1	25,917
Senior Services	55,449	—	—	—	—	55,449
Regulatory Boards and Commissions	1,480,703	—	—	—	26,313	1,507,016
Capital Outlay	—	775,308	—	159,060	3	934,371
Debt Service:						
Principal	—	76,395	37,960	—	61,494	175,849
Interest	—	88,833	22,045	—	20,999	131,877
Right-to-Use Principal	18,132	2,844	—	—	—	20,976
Right-to-Use Interest	3,522	568	—	—	—	4,090
Total Expenditures	15,250,429	1,798,752	60,160	159,060	371,588	17,639,989
Excess of Revenues Over (Under) Expenditures	987,235	29,157	1,367	(123,371)	(36,830)	857,558
Other Financing Sources (Uses):						
Right-to-Use Leases	17,761	4,711	—	—	—	22,472
Transfers In	64,764	—	—	—	93,148	157,912
Transfers Out	(200,788)	—	(19,228)	—	(57,322)	(277,338)
Total Other Financing Sources (Uses)	(118,263)	4,711	(19,228)	—	35,826	(96,954)
Net Change in Fund Balance	868,972	33,868	(17,861)	(123,371)	(1,004)	760,604
Fund Balances, Beginning of Year, as restated	3,877,007	742,901	496,660	960,237	584,158	6,660,963
Fund Balances, End of Year	\$ 4,745,979	\$ 776,769	\$ 478,799	\$ 836,866	\$ 583,154	\$ 7,421,567

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	760,604
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital Outlay	\$	815,172
Depreciation Expense		<u>(372,042)</u>
Excess of Capital Outlay Over Depreciation Expense		443,130
Accretion of interest related to capital appreciation bonds is an expense of the governmental activities.		(14,282)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. For the current year, these amounts consist of:</p>		
Bond Principal Retirement	19,755	
Other Financing Debt Payments	<u>156,095</u>	
Total Long-Term Debt Repayment		175,850
Internal Service Funds are used by management to charge the costs of certain activities, such as building and vehicle maintenance and leasing, data processing, and investment and management of state monies, to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.		20,226
Revenues in the statement of activities that do provide current financial resources are not reported as revenues in the funds.		124,993
Loss on issuance of new refunding bonds in the current fiscal year but was deferred on the statement of activities.		(4,583)
Retirement contributions (excluding Internal Service Funds) to defined benefit pension plans in the current fiscal year are not included on the statement of activities.		514,361
OPEB contributions (excluding Internal Service Funds) to defined benefit OPEB plan in the current fiscal year are not included on the statement of activities.		72,035
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>		
Decrease of Accrued Interest (Asset)	(38)	
Decrease of Compensated Absences	(6,674)	
Decrease in Right-to-Use Lease Liability	(3,775)	
Increase in SBITA Liability	4,909	
Increase of Accrued and Other Liabilities	27,283	
Decrease of Net Pension Liability (Asset), net of deferrals	(203,728)	
Increase of Net OPEB Liability (Asset), net of deferrals	260,807	
Amortization of Bond Premiums/Discounts	<u>25,011</u>	
Total Change in Expenditures		103,795
Change in Net Position of Governmental Activities	\$	<u><u>2,196,129</u></u>

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUNDS

FINANCIAL STATEMENTS

Major Funds

Water Pollution Control Revolving Fund (Water Pollution): This fund was established to provide low-interest loans to communities that need to upgrade an existing waste water system, establish a new utility, or clean up the State's water supply. Water Pollution is to remain in perpetuity by recirculating the principal and interest earned from the loans.

Workers' Compensation Fund: On December 31, 2005, the Workers' Compensation Commission (WCC) ceased to exist as a separate state entity. The WCC's regulatory powers transferred to the Offices of the Insurance Commissioner, along with the residual assets and liabilities of the former WCC. Disbursements from the State's Workers' Compensation Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claim with a date of injury on or before June 30, 2005.

Unemployment Compensation: The Fund is administered by the Bureau of Employment Programs doing business as WORKFORCE West Virginia. The Fund receives contributions from employers and provides for the payment of benefits to eligible unemployed workers under provisions of the Federal Unemployment Tax Act.

West Virginia Infrastructure and Jobs Development Council: The Council coordinates the review and funding of water, wastewater, and economic development projects in the State. The proceeds from the Council's bond programs provide financial assistance to infrastructure and economic development projects throughout the State. The primary source of repayment for the revenue and refunding bonds is the receipt of payments of principal and interest on a set of loans, known as defined loans, previously made to projects from general obligation and revenue bond proceeds.

Public Employees Insurance Agency The Agency, a public entity risk pool, is responsible for providing health and life insurance to current and retired state and county employees. The Agency, empowered to set the premium rates charged to its participants, utilizes a third-party administrator to process claims and make payments to medical providers on a cost reimbursement basis.

Board of Risk and Insurance Management The Board, a public entity risk pool, is responsible for the self-insurance of all state buildings, automobiles, and legal and civil actions, as well as insuring various county and local governments and charitable organizations. The Board is funded from the premiums assessed to the insured organizations.

Nonmajor proprietary funds are presented beginning on page 259.

West Virginia

Statement of Net Position

Proprietary Funds

June 30, 2023

(Expressed in Thousands)

	Business-type Activities - Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 245,094	\$ 1,157,475	\$ 419,889	\$ 45,738
Investments	—	—	—	101,823
Receivables, Net	37,727	353	27,718	26,618
Due from Other Governments	—	—	2,236	—
Due from Other Funds	—	—	157	—
Due from Component Units	—	—	145	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	160,046
Receivables, Net	—	—	—	—
Other Restricted Assets	—	—	—	—
Total Current Assets	<u>282,821</u>	<u>1,157,828</u>	<u>450,145</u>	<u>334,225</u>
Noncurrent Assets:				
Investments	—	—	—	—
Receivables, Net	638,535	—	—	525,148
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	—	—	—
Receivables, Net	—	—	—	—
Capital Assets, Net	—	—	—	—
Right-to-Use Lease Asset, Net	—	—	—	—
Total Noncurrent Assets	<u>638,535</u>	<u>—</u>	<u>—</u>	<u>525,148</u>
Total Assets	<u>921,356</u>	<u>1,157,828</u>	<u>450,145</u>	<u>859,373</u>
Deferred Outflows of Resources:				
Deferred loss on Bond Refundings	—	—	—	578
Related to Pensions	260	—	—	104
Related to OPEB	47	—	—	14
Total Deferred Outflows of Resources	<u>307</u>	<u>—</u>	<u>—</u>	<u>696</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	69	—	—	42
Accrued and Other Liabilities	—	466	5,170	2,190
Unearned Revenue	5,588	—	—	—
Due to Other Governments	—	—	152	—
Due to Other Funds	—	—	—	—
Due to Component Units	74	—	—	293
Insurance and Compensation Benefits Obligations	—	120,900	14,105	—
Revenue Bonds Payable	—	—	—	7,685
Other Financing Debt	—	—	—	—
Other Financing Debt Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	76	—	—	—
Total Current Liabilities	<u>5,807</u>	<u>121,366</u>	<u>19,427</u>	<u>10,210</u>
Noncurrent Liabilities:				
Insurance and Compensation Benefits Obligations	—	921,300	—	—
Revenue Bonds Payable	—	—	—	136,480
Other Financing Debt	—	—	—	—
Other Financing Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	58	—	—	—
Net Pension Liability	93	—	—	41
Net OPEB Liability	29	—	—	4
Total Noncurrent Liabilities	<u>180</u>	<u>921,300</u>	<u>—</u>	<u>136,525</u>
Total Liabilities	<u>5,987</u>	<u>1,042,666</u>	<u>19,427</u>	<u>146,735</u>
Deferred Inflows of Resources:				
Related to Pensions	2	—	—	1
Related to OPEB	141	—	—	22
Total Deferred Inflows of Resources	<u>143</u>	<u>—</u>	<u>—</u>	<u>23</u>
Net Position:				
Net Investment in Capital Assets	—	—	—	—
Restricted for:				
Capital Projects	—	—	—	—
General Government Operations	—	—	—	—
Lending Activities	915,533	—	—	667,608
Insurance Activities	—	115,162	430,718	—
Unrestricted (Deficit)	—	—	—	45,703
Total Net Position	<u>\$ 915,533</u>	<u>\$ 115,162</u>	<u>\$ 430,718</u>	<u>\$ 713,311</u>

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 47,871	\$ 24,728	\$ 89,958	\$ 2,030,753	\$ 37,745
—	—	3,781	105,604	—
47,132	3,199	9,735	152,482	11,277
—	—	—	2,236	—
8,129	—	—	8,286	15,557
8,093	59	—	8,297	39
—	—	42	42	808
235	—	15,020	15,255	84
—	5,447	—	165,493	2,097
—	1,534	737	2,271	—
—	235,648	—	235,648	—
<u>111,460</u>	<u>270,615</u>	<u>119,273</u>	<u>2,726,367</u>	<u>67,607</u>
131,849	154,103	—	285,952	—
—	—	158,186	1,321,869	—
372	—	—	372	23,319
3,793	29,754	—	33,547	—
—	—	835	835	—
40	—	2,487	2,527	308,216
—	—	—	—	1,831
<u>136,054</u>	<u>183,857</u>	<u>161,508</u>	<u>1,645,102</u>	<u>333,366</u>
<u>247,514</u>	<u>454,472</u>	<u>280,781</u>	<u>4,371,469</u>	<u>400,973</u>
—	—	—	578	—
406	399	791	1,960	4,481
89	59	154	363	1,358
<u>495</u>	<u>458</u>	<u>945</u>	<u>2,901</u>	<u>5,839</u>
6,045	1,591	4,902	12,649	21,742
2,530	669	175	11,200	648
7,417	16,638	—	29,643	—
—	—	—	152	269
1,029	38	5	1,072	122
282	17	91	757	2
101,279	189,423	5,300	431,007	—
—	—	—	7,685	—
—	—	—	—	5,704
—	—	—	—	2,000
—	—	—	—	459
—	—	53	129	—
<u>118,582</u>	<u>208,376</u>	<u>10,526</u>	<u>494,294</u>	<u>30,946</u>
4,165	177,257	7,000	1,109,722	—
—	—	—	136,480	—
—	—	—	—	6,991
—	—	—	—	45,650
—	—	—	—	1,450
—	191	286	535	2,290
149	148	285	716	1,690
28	20	85	166	321
<u>4,342</u>	<u>177,616</u>	<u>7,656</u>	<u>1,247,619</u>	<u>58,392</u>
<u>122,924</u>	<u>385,992</u>	<u>18,182</u>	<u>1,741,913</u>	<u>89,338</u>
3	—	9	15	28
237	137	435	972	2,707
<u>240</u>	<u>137</u>	<u>444</u>	<u>987</u>	<u>2,735</u>
40	—	2,487	2,527	248,754
—	—	—	—	21,550
—	—	4,449	4,449	2,097
—	—	228,402	1,811,543	—
—	32,363	9,527	587,770	—
124,805	36,438	18,235	225,181	42,338
<u>\$ 124,845</u>	<u>\$ 68,801</u>	<u>\$ 263,100</u>	<u>\$ 2,631,470</u>	<u>\$ 314,739</u>

**Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	Business-type Activities – Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Operating Revenues:				
Charges for Services and Sales	\$ —	\$ —	\$ 154,023	\$ 3,389
Insurance Premiums	—	674	—	—
Investment Earnings	3,598	—	—	—
Licenses, Permits, and Fees	3,021	—	—	—
Other	—	37	365	—
Total Operating Revenues	6,619	711	154,388	3,389
Operating Expenses:				
Cost of Sales and Services	—	—	—	—
Insurance Claims and Claims Adjustment Provisions	—	26,650	—	—
Infrastructure and Economic Development	—	—	—	25,090
Unemployment Insurance Benefits	—	—	127,567	—
General and Administration	11,510	4,615	—	1,173
Pension Expense	54	—	—	16
OPEB Expense	(180)	—	—	(36)
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	12,196
Other	—	—	—	—
Total Operating Expenses	11,384	31,265	127,567	38,439
Operating Income (Loss)	(4,765)	(30,554)	26,821	(35,050)
Nonoperating Revenues (Expenses):				
Gain (Loss) on Sale of Equipment	—	—	—	—
Interest and Other Investment Income	—	58,067	7,081	9,842
Interest Expense	—	—	—	(5,392)
Lottery Revenues	—	—	—	46,000
Other Nonoperating Revenues	7,041	14	—	—
Other Nonoperating Expenses	(29)	—	—	(4)
Total Nonoperating Revenues (Expenses), Net	7,012	58,081	7,081	50,446
Income (Loss) Before Capital Contributions and Transfers	2,247	27,527	33,902	15,396
Capital Contributions and Transfers:				
Transfers In	31,413	25,000	—	—
Transfers Out	—	—	—	(3,221)
Total Capital Contributions and Transfers	31,413	25,000	—	(3,221)
Change in Net Position	33,660	52,527	33,902	12,175
Net Position, Beginning of Year	881,873	62,635	396,816	701,136
Net Position, End of Year	\$ 915,533	\$ 115,162	\$ 430,718	\$ 713,311

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ —	\$ —	\$ 137,636	\$ 295,048	\$ 160,061
641,977	86,533	8,874	738,058	—
—	—	—	3,598	—
—	—	6,280	9,301	—
4,969	—	175	5,546	—
646,946	86,533	152,965	1,051,551	160,061
—	—	102,868	102,868	141,127
642,236	171,253	6,059	846,198	—
—	—	—	25,090	—
—	—	—	127,567	—
27,264	5,892	7,210	57,664	10,980
83	75	154	382	765
(119)	(120)	(417)	(872)	(1,737)
12	—	233	245	23,125
—	—	—	12,196	—
6,247	—	3,018	9,265	—
675,723	177,100	119,125	1,180,603	174,260
(28,777)	(90,567)	33,840	(129,052)	(14,199)
—	—	—	—	(137)
8,182	7,986	2,916	94,074	420
—	—	—	(5,392)	(2,177)
—	—	—	46,000	4,894
—	—	823	7,878	298
—	(22)	(7)	(62)	(157)
8,182	7,964	3,732	142,498	3,141
(20,595)	(82,603)	37,572	13,446	(11,058)
52,000	—	21,195	129,608	35,583
—	—	(38,245)	(41,466)	(4,299)
52,000	—	(17,050)	88,142	31,284
31,405	(82,603)	20,522	101,588	20,226
93,440	151,404	242,578	2,529,882	294,513
\$ 124,845	\$ 68,801	\$ 263,100	\$ 2,631,470	\$ 314,739

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 43,696	\$ 600	\$ 148,924	\$ 32,461
Receipts from State Agencies	—	—	—	—
Payments to Suppliers	—	(6,582)	—	(688)
Payments to Employees	(1,266)	—	—	(600)
Payments to Beneficiaries	—	—	—	—
Payments for Loans Originated	(31,032)	—	—	(59,700)
Payments for Premiums	—	—	—	—
Payments to Claimants	—	(114,750)	(123,568)	—
Other Operating Cash Receipts	—	37	8,824	—
Other Operating Cash Payments	(10,441)	—	—	—
Net Cash Provided by (Used for) Operating Activities	957	(120,695)	34,180	(28,527)
Cash Flows from Noncapital Financing Activities:				
Repayment of Operating Debt	—	—	—	(6,565)
Interest Paid on Operating Debt	—	—	—	(6,266)
Transfers In	37,001	25,000	—	—
Transfers Out	—	—	—	—
Entitlements and Grants	—	—	—	—
Distributions or Subsidies from (to) Other Organizations	—	—	—	46,000
Provided from Issuing Liquor Licenses	—	—	—	—
Receipts from Notes Receivable	—	—	—	—
Other Nonoperating Receipts (Payments)	—	—	—	(4)
Net Cash Provided by (Used for) Noncapital Financing Activities	37,001	25,000	—	33,165
Cash Flows from Capital and Related Financing Activities:				
Repayment of Capital Debt	—	—	—	—
Interest Paid on Capital Debt	—	—	—	—
Principal Paid for Right-to-Use Leases	—	—	—	—
Interest Paid on Right-to-Use Leases	—	—	—	—
Acquisition and Construction of Capital Assets	—	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	—	—	—
Cash Flows from Investing Activities:				
Purchase of Investments	—	—	—	(271,482)
Proceeds from Sale of Investments	—	—	—	269,167
Investment Earnings	7,041	58,067	7,081	9,168
Net Cash Provided by (Used for) Investing Activities	7,041	58,067	7,081	6,853
Net Increase (Decrease) in Cash and Cash Equivalents	44,999	(37,628)	41,261	11,491
Cash and Cash Equivalents, Beginning of Year	200,095	1,195,103	378,628	194,293
Cash and Cash Equivalents, End of Year	\$ 245,094	\$ 1,157,475	\$ 419,889	\$ 205,784

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 670,447	\$ 90,462	\$ 167,299	\$ 1,153,889	\$ —
—	—	—	—	158,194
(32,880)	(3,648)	(104,746)	(148,544)	(125,510)
(3,087)	(2,187)	(4,883)	(12,023)	(28,279)
(854,941)	(89,868)	—	(944,809)	—
—	—	(29,424)	(120,156)	—
—	—	(8,379)	(8,379)	—
—	—	(7,547)	(245,865)	—
151,601	—	1,826	162,288	—
—	5,299	(6,257)	(11,399)	—
(68,860)	58	7,889	(174,998)	4,405
—	—	—	(6,565)	—
—	—	—	(6,266)	—
—	—	21,195	83,196	35,583
750	—	(38,245)	(37,495)	(4,285)
—	—	128	128	—
52,000	—	—	98,000	4,894
—	—	108	108	—
—	—	829	829	—
—	—	—	(4)	—
52,750	—	(15,985)	131,931	36,192
—	—	—	—	(12,490)
—	—	—	—	(2,116)
—	—	—	—	(569)
—	—	—	—	(97)
22	—	(119)	(97)	(28,567)
22	—	(119)	(97)	(43,839)
(144,139)	(50,812)	—	(466,433)	—
143,309	51,459	—	463,935	—
8,182	1,341	2,607	93,487	397
7,352	1,988	2,607	90,989	397
(8,736)	2,046	(5,608)	47,825	(2,845)
56,979	28,129	95,566	2,148,793	66,006
<u>\$ 48,243</u>	<u>\$ 30,175</u>	<u>\$ 89,958</u>	<u>\$ 2,196,618</u>	<u>\$ 63,161</u>

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)
(Continued)

	Business-type Activities – Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(4,765)	(30,554)	26,821	(35,050)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Bad Debt Expense	—	—	—	—
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	12,196
Pension Expense	54	—	—	16
OPEB Expense	(180)	—	—	(36)
Changes in Assets and Liabilities:				
Receivables	6,046	146	3,453	(2,357)
Investments	—	—	—	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Accounts Payable and Accrued Liabilities	(82)	(88,100)	4,000	(3,180)
Unearned Revenue	—	—	—	—
Escrow Deposits	—	—	—	—
Due to/from Other Funds	—	—	(94)	(85)
Unpaid Claims Liabilities	—	—	—	—
Other Liabilities	—	(2,187)	—	—
Compensated Absences	7	—	—	—
Pensions/OPEB	—	—	—	290
Deferred Outflows of Resources Related to Pensions/OPEB	(123)	—	—	22
Deferred Inflow related to Pension/OPEB	—	—	—	(343)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 957</u>	<u>\$ (120,695)</u>	<u>\$ 34,180</u>	<u>\$ (28,527)</u>
Schedule of Noncash Capital and Financing Activities:				
Loans Originated with Principal Forgiveness Features	—	—	—	—
Unrealized Gain (Loss) on Investments	—	—	—	—
Right-to-Use Lease Asset	—	—	—	—

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
(28,777)	(90,567)	33,840	(129,052)	(14,199)
—	—	—	—	(1,344)
12	—	233	245	23,125
—	—	—	12,196	—
83	75	154	382	765
(119)	(120)	(417)	(872)	(1,737)
23,603	(501)	(20,950)	9,460	(1,866)
—	—	(3,634)	(3,634)	—
—	—	8	8	389
—	—	—	—	(25)
(577)	—	(1,022)	(88,961)	1,389
(3,775)	—	(2)	(3,777)	—
—	5,299	—	5,299	—
—	—	—	(179)	—
—	81,385	—	81,385	—
(59,126)	4,668	(37)	(56,682)	(168)
—	—	7	14	—
—	—	1,911	2,201	—
(184)	(181)	331	(135)	(1,924)
—	—	(2,533)	(2,876)	—
<u>\$ (68,860)</u>	<u>\$ 58</u>	<u>\$ 7,889</u>	<u>\$ (174,978)</u>	<u>\$ 4,405</u>
—	—	2,714	2,714	—
7,259	(6,645)	—	614	—
—	—	—	—	1,065



FIDUCIARY FUNDS

FINANCIAL STATEMENTS

Private Purpose Trust Fund This fund type is used to report a trust arrangement under which principal and income benefit individuals.

SMART 529: The West Virginia College Savings Program (the Program) operates under the West Virginia State Code Chapter 18, Article 30, and is administered by the Office of the State Treasurer under the direction of the Program's Board. All funds paid into or invested through the Program will be available for use at any two-year or four-year college or university in the country, with refund and transfer options available. Since the Program is an Internal Revenue Service Section 529 Qualified State Tuition Program, earnings on the funds are federally tax deferred until used for college.

The individual Pension and Other Employee Benefit Trust Funds, Investment Trust Funds, and Custodial Funds descriptions and financial statements begin on page 266.

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023
(Expressed in Thousands)**

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 141,791	\$ 976,187	\$ 2,325	\$ 102,935
Investments:				
Equity Pooled Investments	21,341,900	—	—	11,087
Mutual Funds	663,300	—	2,885,725	—
Receivables, Net:				
Contributions	29,871	—	6,907	—
Participant Loans	1,036	—	—	—
Accrued Interest	—	—	—	717
Accounts	5,424	—	—	—
Due from Other Funds	149	—	—	130
Due from Component Units	817	—	—	—
Total Assets	22,184,288	976,187	2,894,957	114,869
Deferred Outflows of Resources:				
Related to Pensions	218	—	—	—
Related to OPEB	45	—	—	—
Total Deferred Outflows of Resources	263	—	—	—
Liabilities:				
Accounts Payable	1	—	6,354	—
Accrued and Other Liabilities	20,706	—	551	—
Due to Other Governments	—	—	—	15,820
Due to Other Funds	8,023	—	—	—
Insurance Claims Payable	11,146	—	—	—
Custodial Liabilities	—	—	—	15,330
Net Pension Liability	80	—	—	—
Net OPEB Liability	15	—	—	—
Total Liabilities	39,971	—	6,905	31,150
Deferred Inflows of Resources:				
Related to Pensions	2	—	—	—
Related to OPEB	128	—	—	—
Total Deferred Inflows of Resources	130	—	—	—
Net Position:				
Restricted for:				
Pension Benefits	20,348,784	—	—	—
Other Postemployment Benefits	1,795,666	—	—	—
Held in trust for:				
External Investment Pool Participants	—	976,187	—	—
Individuals and Organizations	—	—	2,888,052	83,719
Total Net Position	\$ 22,144,450	\$ 976,187	\$ 2,888,052	\$ 83,719

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Additions:				
Contributions:				
Members	\$ 217,363	\$ —	\$ —	\$ —
Employer	372,964	—	—	—
Account Holder Contributions	—	—	194,093	—
Deposits, Pool Participants	—	997,511	—	—
Other	378,080	—	—	—
Total Contributions	<u>968,407</u>	<u>997,511</u>	<u>194,093</u>	<u>—</u>
Investment Income (Loss):				
Net Appreciation (Depreciation) in Fair Value of Investments	1,711,882	33,321	164,007	—
Interest	54,477	—	90,224	—
Investment Expense	—	—	(4,587)	—
Net Investment Income	<u>1,766,359</u>	<u>33,321</u>	<u>249,644</u>	<u>—</u>
Transfers to Plans	(3,104)	—	—	—
Funds Received for Local Governments	—	—	—	1,495,231
Grants Received for Local Governments	—	—	—	84,690
Funds Received for Individuals and Organizations	—	—	—	222,656
Collateral Received and Related Additions	—	—	—	58,922
Taxes Collected for Other Governments	—	—	—	855,701
Other	7,383	—	—	—
Total Additions	<u>2,739,045</u>	<u>1,030,832</u>	<u>443,737</u>	<u>2,717,200</u>
Deductions:				
Benefits Expense	1,540,671	—	—	—
Forfeitures	740	—	—	—
Payments in Accordance with Trust Agreements	—	—	329,794	—
Refunds of Contributions	56,494	—	—	—
Withdrawals	—	725,352	—	—
Pension Expense	(45)	—	—	—
OPEB Expense	(68)	—	—	—
Administrative Expenses	13,857	—	5,783	—
Transfers from Plans	(3,104)	—	—	—
Funds Disbursed to Local Governments	—	—	—	1,495,231
Grants Disbursed to Local Governments	—	—	—	84,690
Funds Disbursed to Individuals and Organizations	—	—	—	222,656
Collateral Disbursed and Related Deductions	—	—	—	63,288
Taxes Disbursed to Local Governments	—	—	—	855,701
Total Deductions	<u>1,608,545</u>	<u>725,352</u>	<u>335,577</u>	<u>2,721,566</u>
Change in Net Position Restricted For:				
Individuals and Organizations	—	—	—	(4,366)
Change in Net Position Held in Trust For:				
Pension Benefits	959,806	—	—	—
Other Postemployment Benefits	170,694	—	—	—
External Investment Pool Participants	—	305,480	—	—
Individuals and Organizations	—	—	108,160	—
Net Position, Beginning of Year	21,013,950	670,707	2,779,892	88,085
Net Position, End of Year	<u>\$ 22,144,450</u>	<u>\$ 976,187</u>	<u>\$ 2,888,052</u>	<u>\$ 83,719</u>

The accompanying notes are an integral part of the financial statements.

DISCRETELY PRESENTED COMPONENT UNITS FINANCIAL STATEMENTS

Major Component Units

West Virginia Lottery: The West Virginia Lottery's responsibilities include the distribution and sale of lottery tickets and the awarding of prizes. The West Virginia Lottery has a duty to establish rules for conducting games, to select the type and number of gaming systems or games, and to enter into contracts and agreements to operate in a highly efficient manner. The Lottery derives its revenues from instant, online, video-type games, and table games. To the extent available, remaining net profits are to be distributed to the State and local governments as required by law.

Economic Development Authority: The Authority, responsible for developing and advancing the business prosperity and economic welfare of the State, is authorized to make loans and enter into direct financing and right to use leases with industrial development agencies for the promotion and retention of new and existing commercial and industrial development. The Authority is empowered to borrow money and issue bonds, notes, commercial paper, and other debt instruments to furnish money for the enhancement of business development projects, and additionally maintains the discretionary ability to set loan terms and interest rates.

Housing Development Fund: The Fund is responsible for providing residential housing programs for low- and moderate income families, elderly persons, and other eligible persons and families, as well as financing certain nonresidential projects. The Fund is empowered to issue bonds payable from mortgage payments and to issue general obligation bonds payable from other assets. The bonds of the Housing Development Fund do not constitute the debt of the State.

Parkways Authority: The Authority is responsible for the operation and maintenance of the State's turnpike and economic development and tourism projects approved by the Department of Transportation. The Authority is empowered to issue Parkway revenue refunding bonds and set rates for crossing the turnpike. The State has discretionary authority to reappropriate any surplus from the Authority.

Water Development Authority: The Authority is responsible for assisting in the preservation, protection, improvement, and management of the State's water resources. The Authority oversees a loan pool program which provides low-interest financing to local governments for water and wastewater projects. The Authority issues bonds to fund the loan pool and uses the proceeds to purchase local government revenue bonds. The revenue bonds are payable solely from the revenues of the projects.

West Virginia Higher Education Fund: The Fund is responsible for providing the delivery of postsecondary education, which is competitive, affordable, and has the capacity to deliver the programs and services necessary to meet the regional and statewide needs of young people and working-age adults. The focus and collaboration of the institutions within the Fund are to create a system of higher education that is equipped to increase the competitiveness and to diversify and to expand the State's workforce by increasing the number of postsecondary degrees. The Fund obtains revenues from state and federal student aid programs; tuition and fees; state and federal appropriations; sales and services of educational activities and auxiliary enterprises; federal, state, local, and nongovernmental grants and contracts; and gifts and contributions.

West Virginia Division of Corrections and Rehabilitation: The Division has statutory responsibility for the establishment and operation of correctional facilities, juvenile services, and regional jails in the State and the acquisition, construction, and renovation of those facilities for prisoner confinement. The Division has program revenues that consist of charges for incarceration of inmates.

School Building Authority: The Authority's responsibilities include providing state funds for the acquisition and construction of elementary and secondary public school facilities in order to satisfy the educational needs of the State's citizens in an efficient and economical manner. The Authority's programs are designed to provide modern, efficient public school facilities throughout the State by promoting the consolidation of elementary and secondary public schools, enabling the State to more efficiently utilize its educational resources.

Nonmajor component units are presented beginning on page 280.

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2023
(Expressed in Thousands)**

	<u>West Virginia Lottery</u>	<u>Economic Development Authority</u>	<u>Housing Development Fund</u>	<u>Parkways Authority</u>
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 288,680	\$ 1,170,776	\$ 14,872	\$ 16,649
Investments	—	—	—	—
Receivables, Net	35,241	20,438	2,916	10,469
Other Financing Debt Receivable from Primary Government	—	16,578	—	—
Due from Other Governments	—	—	—	—
Due from Primary Government	1	—	—	5,575
Due from Component Units	13	642	—	—
Inventories	1,228	—	—	4,823
Prepaid SBITA	—	—	—	8,544
Other Assets	1,407	—	—	346
Restricted Assets:				
Cash and Cash Equivalents	—	302	112,227	158,656
Investments	—	—	—	87,977
Receivables, Net	—	—	2,379	—
Other Restricted Assets	—	—	—	—
Total Current Assets	<u>326,570</u>	<u>1,208,736</u>	<u>132,394</u>	<u>293,039</u>
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	6,824	—	—
Receivables, Net	—	150,411	109,527	17,858
Other Financing Debt Receivable from Primary Government	—	133,847	—	—
Other Assets	—	—	—	—
Restricted Assets:				
Cash and Cash Equivalents	—	24,742	110,332	—
Investments	—	—	63,345	26,411
Receivables, Net	—	—	745,249	—
Other Restricted Assets	—	—	2,855	—
Right-to-Use Lease Asset, Net	—	—	—	—
SBITA Asset, Net	—	—	—	—
Capital Assets, Net	41,409	16,689	7,431	616,981
Total Noncurrent Assets	<u>41,409</u>	<u>332,513</u>	<u>1,038,739</u>	<u>661,250</u>
Total Assets	<u>367,979</u>	<u>1,541,249</u>	<u>1,171,133</u>	<u>954,289</u>
Deferred Outflows				
Accumulated decrease in fair value of hedging derivative instrument	—	—	—	—
Loss on bond refundings	—	—	—	—
Related to Pensions	2,050	329	1,773	4,736
Related to Other Post-Employment Benefits	290	80	1,494	757
Total Deferred Outflows of Resources	<u>2,340</u>	<u>409</u>	<u>3,267</u>	<u>5,493</u>

The accompanying notes are an integral part of the financial statements.

Water Development Authority	Higher Education	Division of Corrections & Rehabilitation	School Building Authority	Other Component Units	Total
\$ 42,313	\$ 536,962	\$ 46,988	\$ 296,765	\$ 75,345	\$ 2,489,350
—	150,149	—	—	3,491	153,640
17,602	224,842	10,881	49	1,556	323,994
—	—	—	—	—	16,578
—	—	—	—	146	146
458	18,563	194	—	4,146	28,937
—	4,455	—	—	—	5,110
—	3,945	12,413	—	28	22,437
—	—	—	—	—	8,544
—	16,511	576	—	96	18,936
—	—	27,964	—	21,528	320,677
—	—	—	—	—	87,977
—	—	—	—	415	2,794
4	—	—	—	—	4
<u>60,377</u>	<u>955,427</u>	<u>99,016</u>	<u>296,814</u>	<u>106,751</u>	<u>3,479,124</u>
—	106,122	—	—	—	106,122
—	732,274	—	—	—	739,098
6,422	23,764	—	—	1,234	309,216
—	—	—	—	—	133,847
—	102,865	—	—	—	102,865
447,171	—	—	—	364	582,609
—	—	—	—	—	89,756
130,685	—	—	—	804	876,738
62	—	—	—	330	3,247
—	39,308	6,282	—	2,483	48,073
—	34,508	1,843	—	—	36,351
4,077	3,409,565	161,020	618	44,550	4,302,340
<u>588,417</u>	<u>4,448,406</u>	<u>169,145</u>	<u>618</u>	<u>49,765</u>	<u>7,330,262</u>
<u>648,794</u>	<u>5,403,833</u>	<u>268,161</u>	<u>297,432</u>	<u>156,516</u>	<u>10,809,386</u>
—	34,142	—	—	—	34,142
4,756	—	—	2,360	—	7,116
116	1,667	34,951	75	4,686	50,383
25	25,112	6,513	22	663	34,956
<u>4,897</u>	<u>60,921</u>	<u>41,464</u>	<u>2,457</u>	<u>5,349</u>	<u>126,597</u>

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2023
(Expressed in Thousands)
(Continued)**

	West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 26,038	\$ 156	\$ —	\$ 26,842
Interest Payable	—	—	2,040	1,825
Accrued and Other Liabilities	32,286	30	18,404	7,741
Unearned Revenue	—	482,000	—	—
Due to Primary Government	243,013	593	—	8,640
Due to Component Units	5,097	13	—	—
Revenue Bonds Payable	—	16,578	21,915	8,865
Other Financing Debt	—	24	—	—
Right-to-Use Lease Liability	—	—	—	—
Right-to-Use Software Liability	—	—	—	—
Compensated Absences	807	73	611	1,412
Total Current Liabilities	<u>307,241</u>	<u>499,467</u>	<u>42,970</u>	<u>55,325</u>
Noncurrent Liabilities:				
Unearned Revenue	—	282	—	—
Advances from Primary Government	—	17,324	—	—
Liabilities Payable from Restricted Assets	—	—	165,842	—
Accrued and Other Liabilities	—	—	—	5,575
Revenue Bonds Payable	—	133,847	367,654	544,396
Other Financing Debt	—	1,255	403	—
Net Pension Liability	735	120	663	1,740
Net OPEB Liability	148	24	516	425
Right-to-Use Lease Liability	—	—	—	—
Right-to-Use Software Liability	—	—	—	—
Compensated Absences	—	71	—	—
Total Noncurrent Liabilities	<u>883</u>	<u>152,923</u>	<u>535,078</u>	<u>552,136</u>
Total Liabilities	<u>308,124</u>	<u>652,390</u>	<u>578,048</u>	<u>607,461</u>
Deferred Inflows of Resources:				
Gain on bond refundings	—	—	—	—
Related to Pensions	18	1	9	21
Related to OPEB	748	99	358	1,815
Service Concession Arrangements	—	—	—	—
Related to Leases	—	—	—	—
Public Private Partnerships	—	—	—	17,771
Grants and Contributions	—	—	—	—
Total Deferred Inflows	<u>766</u>	<u>100</u>	<u>367</u>	<u>19,607</u>
Net Position:				
Net Investment in Capital Assets	41,409	16,689	7,350	616,981
Restricted for:				
Capital Projects	—	—	—	—
Debt Service	—	—	397,878	262,160
Nonexpendable	—	—	—	—
Lending Activities	—	24,442	72,906	—
Specific Component Unit Purposes	—	—	—	—
Unrestricted	20,020	848,037	117,851	(546,427)
Total Net Position	<u>\$ 61,429</u>	<u>\$ 889,168</u>	<u>\$ 595,985</u>	<u>\$ 332,714</u>

The accompanying notes are an integral part of the financial statements.

Water Development Authority	Higher Education	Corrections and Rehabilitation	School Building Authority	Other Component Units	Total
\$ 151	\$ 83,982	\$ 22,890	\$ —	\$ 2,235	\$ 162,294
1,088	9,505	77	—	—	14,535
—	225,691	8,062	10,219	889	303,322
418,373	136,049	—	—	3,849	1,040,271
2	9,087	5,272	—	592	267,199
—	—	—	—	—	5,110
10,314	51,831	—	47,060	—	156,563
—	9,311	5,446	—	—	14,781
—	6,293	1,863	—	605	8,761
—	14,409	721	—	—	15,130
—	55,334	—	56	192	58,485
<u>429,928</u>	<u>601,492</u>	<u>44,331</u>	<u>57,335</u>	<u>8,362</u>	<u>2,046,451</u>
—	—	—	—	33	315
—	—	—	—	—	17,324
—	—	—	—	17,399	183,241
—	109,194	—	—	200	114,969
123,010	1,324,677	—	286,541	—	2,780,125
—	193,095	1,165	—	—	195,918
42	5,626	12,924	193	1,627	23,670
8	12,745	2,716	7	388	16,977
—	93,615	4,551	—	1,953	100,119
—	16,764	1,228	—	—	17,992
129	4,901	9,591	—	1,556	16,248
<u>123,189</u>	<u>1,760,617</u>	<u>32,175</u>	<u>286,741</u>	<u>23,156</u>	<u>3,466,898</u>
<u>553,117</u>	<u>2,362,109</u>	<u>76,506</u>	<u>344,076</u>	<u>31,518</u>	<u>5,513,349</u>
477	—	—	—	—	477
1	4,311	34	11	88	4,494
42	58,504	16,603	48	1,698	79,915
—	39,559	—	—	—	39,559
—	12,510	—	—	1,201	13,711
—	—	—	—	—	—
—	782	—	—	—	782
<u>520</u>	<u>115,666</u>	<u>16,637</u>	<u>59</u>	<u>2,987</u>	<u>138,938</u>
4,077	2,010,884	154,171	618	44,535	2,896,714
—	19,989	—	—	—	19,989
—	17,208	21,993	149,721	—	848,960
—	380,231	—	—	330	380,561
40,737	—	—	—	—	138,085
—	366,310	—	—	43,732	410,042
55,240	192,357	40,318	(194,585)	38,763	571,574
<u>\$ 100,054</u>	<u>\$ 2,986,979</u>	<u>\$ 216,482</u>	<u>\$ (44,246)</u>	<u>\$ 127,360</u>	<u>\$ 5,265,925</u>

**Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
Component Units:					
West Virginia Lottery	\$ 1,343,674	\$ 1,324,537	\$ —	\$ —	\$ (19,137)
Economic Development Authority	52,899	5,121	—	—	(47,778)
Housing Development Fund	181,704	41,338	150,693	—	10,327
Parkways Authority	123,832	188,849	—	—	65,017
Water Development Authority	15,666	18,294	—	—	2,628
Higher Education	2,231,039	891,779	649,655	77,011	(612,594)
Division of Corrections & Rehabilitation	440,336	111,273	14,671	—	(314,392)
School Building Authority	114,042	—	—	—	(114,042)
Other Component Units	117,959	10,244	3,345	13,105	(91,265)
Total Component Units	<u>\$ 4,621,151</u>	<u>\$ 2,591,435</u>	<u>\$ 818,364</u>	<u>\$ 90,116</u>	<u>\$ (1,121,236)</u>

The accompanying notes are an integral part of the financial statements.

General Revenue							
Unrestricted Investment Earnings	Grants and Contributions Not Restricted for Specific Programs	Miscellaneous	Payments from the State of West Virginia	Total General Revenues and Special Item	Change in Net Position	Net Position, (Deficit) Beginning of Year, as restated	Net Position (Deficit) End of Year
\$ 9,297	\$ —	\$ 10,373	\$ —	\$ 19,670	\$ 533	\$ 60,896	\$ 61,429
24,034	—	707,587	—	731,621	683,843	205,325	889,168
4,592	—	—	—	4,592	14,919	581,066	595,985
7,093	—	—	—	7,093	72,110	260,604	332,714
14,042	—	—	—	14,042	16,670	83,384	100,054
75,269	—	124,692	555,184	755,145	142,551	2,844,428	2,986,979
1,371	—	—	330,617	331,988	17,596	198,886	216,482
4,736	—	—	168,080	172,816	58,774	(103,020)	(44,246)
860	3,871	5,357	52,412	62,500	(28,765)	156,125	127,360
<u>\$ 141,294</u>	<u>\$ 3,871</u>	<u>\$ 848,009</u>	<u>\$ 1,106,293</u>	<u>\$ 2,099,467</u>	<u>\$ 978,231</u>	<u>\$ 4,287,694</u>	<u>\$ 5,265,925</u>

**STATE OF WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State of West Virginia (the State) is governed by elected officials. These financial statements present the State (the primary government) and its component units. The component units discussed below are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

Individual Component Unit Disclosures

United States generally accepted accounting principles (GAAP) define component units as those entities which are legally separate organizations for which the State's elected officials are financially accountable, or other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. GAAP specifies two methods of presentation: blending the financial data of the component units' balances and transactions in a manner similar to the presentation of the State's balances and transactions, or discrete presentation of the component units' financial data in columns separate from the State's financial data.

Blended Component Units

The entities below are legally separate from the State and meet the GAAP criteria for component units. These entities are blended with the primary government because they provide services entirely or almost entirely to the State or there is a financial benefit or burden relationship with the primary government.

Transportation

The Division of Highways within the Department of Transportation (Transportation), is governed by a commissioner appointed by the Governor; it does not have a governing board separate from the State Legislature. It is a legally separate entity defined by the State Constitution. Since its operations are to improve the State's roads, Transportation is blended in the major special revenue funds of the State.

West Virginia Investment Management Board

The West Virginia Investment Management Board (IMB) is governed by a 13-member Board of Trustees. The IMB was created as a public corporation by West Virginia Code §12-6-1 to serve as the administrator, investor, and manager of the State's pension, Workers' Compensation, Pneumoconiosis, and other state funds. The Governor, the State Auditor, and the State Treasurer are members of the Board, and the other members are appointed by the Governor. Because there is a financial benefit-burden relationship between the State and the

IMB, and assets of the State and its component units comprise over 90% of the assets managed by the IMB, it is blended in the internal service funds of the State.

West Virginia Board of Treasury Investments

The West Virginia Board of Treasury Investments (BTI) is governed by a five-member board. The Governor, the State Auditor, and the State Treasurer are members of the Board and the other two members are appointed by the Governor. The BTI was created as a public corporation by West Virginia Code §12-6C-4 to provide prudent fiscal administration, investment, and management for the Consolidated Fund and is blended in the internal service funds of the State.

Tobacco Settlement Finance Authority

The Tobacco Settlement Finance Authority (TSFA) is governed by a five-member board, including the Secretary of Administration, the State Treasurer, and three persons appointed by the Governor. The TSFA was created to issue bonds related to the State's portion of the tobacco receipts from the Master Settlement Agreement between tobacco manufacturers and the covered states. The revenue bonds, secured by the tobacco revenues, are not a general obligation of the State. The TSFA is blended in the debt service funds of the State since its activities only benefit the State.

Blended Component Unit Financial Statements

Audited financial statements for these blended component units can be obtained directly from their respective administrative offices.

Administrative Offices:

Transportation 1900 Kanawha Blvd., East Building 5, Room A-109 Charleston, WV 25305	West Virginia Investment Management Board 500 Virginia St. East, Suite 200 Charleston, WV 25301
Board of Treasury Investments 1900 Kanawha Blvd., East Building 1, Room E-122 Charleston, WV 25305	Tobacco Settlement Finance Authority 1900 Kanawha Blvd., East Building 1, Room E-119 Charleston, WV 25305

Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from the State but are financially accountable to the State, or whose relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. Because of the nature of the services they provide and the State's ability to impose its will on them, the following component units are discretely presented. The State has both governmental (providing services to the government) and proprietary (providing services to external parties) component units. The component units are presented in a single column on the government-wide statements.

The major discretely presented component units are composed of the following entities:

West Virginia Lottery

The West Virginia Lottery (Lottery) is governed by a seven-member board appointed by the Governor. It was formed to assist the State in funding education, debt service, the promotion of tourism, and other basic governmental activities. Even though the Lottery was created primarily to generate revenue for the State, the service provided by the Lottery – the opportunity for financial gain – is provided to anyone who chooses to participate. When prizes are awarded to winners and financial gain is achieved, the lottery operation does not exclusively, or almost exclusively, benefit the primary government as an institution, not meeting the criteria for blending and thus requiring discrete component unit presentation.

Economic Development Authority

The Economic Development Authority (EDA) is administered by a nine-member board composed of the Governor, Secretary of Revenue, and seven other members appointed by the Governor. EDA is responsible for developing and advancing the business prosperity and economic welfare of the State. EDA is authorized to make loans, including direct financing and right to use leases to industrial development agencies for the promotion and retention of new and existing commercial and industrial development. EDA is empowered to borrow money and issue bonds (with approval of the State), notes, commercial paper, and other debt instruments to furnish money for the enhancement of business development projects and has the ability to establish loan terms, including interest rates, at its discretion. EDA promotes economic development among private industries, and though its services benefit the State by increasing the tax base, its primary function is to provide jobs.

Housing Development Fund

The Housing Development Fund (HDF) is governed by an 11-member board consisting of the Governor, the Attorney General, the Commissioner of Agriculture, the State Treasurer, and seven other members appointed by the Governor. The Governor or his designee is the chair of the board of directors. HDF is responsible for providing residential housing programs for low-income and moderate-income families, elderly persons, and other eligible persons and families, as well as financing certain nonresidential projects. It is empowered to issue bonds which are payable from the mortgage payments. The assets and revenues of the bond programs of the HDF are restricted by resolution to repay the outstanding debt. As the State is able to impose its will over the HDF, it is included as a discretely presented component unit.

Parkways Authority

The Parkways Authority (Parkways) is composed of seven members. The Governor or his designee serves as its chairperson, the Secretary of the Department of Transportation is on the board, and five members are appointed by the Governor. Its responsibilities include the operation and maintenance of the West Virginia Turnpike (the Turnpike) as well as economic development and tourism projects approved by Transportation. Parkways sets the rates for using the Turnpike and may issue Parkways' revenue refunding bonds payable solely from revenues of the Turnpike. Transportation, as well as the State, is able to impose its will on Parkways.

Water Development Authority

The Water Development Authority (Water Development) is governed by a seven-member board. The Governor, who serves as the chair, the Secretary of the Department of Environmental Protection, and the Commissioner of the Bureau for Public Health are members ex-officio of the board. Four members are appointed by the Governor. Water Development is responsible for assisting in the preservation, protection, improvement, and management of the State's water resources. Water Development oversees a loan pool program which provides low-interest financing to local governments for water and wastewater projects. Water Development issues bonds to fund the loan pool and uses the proceeds to purchase local government revenue bonds. The revenue bonds are payable solely from the revenues of the projects. Water Development also serves as the financial administrator of the West Virginia Infrastructure and Jobs Development Council and the Drinking Water Treatment Revolving Fund, which are enterprise funds.

Higher Education Fund

Each college and university in the Higher Education Fund (the Fund) is governed by a Governing Board, which is responsible for the general determination, control, supervision, and management of the financial business and educational policies and affairs of the institution(s). The West Virginia Higher Education Policy Commission (the Policy Commission), in accordance with Senate Bill No. 653, is the single accountability point responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda. It is comprised of ten persons appointed by the Governor with the advice and consent of the Senate. The Policy Commission is responsible for preparing and submitting a consolidated budget and allocating state appropriations to supplement institutional operating revenues.

Senate Bill 448 created the West Virginia Council for Community and Technical College Education (the Council), which has responsibility for developing, overseeing, and advancing the State's public policy agenda as it relates to community and technical college education. The Council is comprised of 12 persons appointed by the Governor with the advice and consent of the Senate.

The Fund is comprised of the following: Bluefield State College, BridgeValley Community and Technical College, New River Community and Technical College, Concord University, Eastern West Virginia Community and Technical College, Fairmont State University, Glenville State College, Marshall University (including Marshall University Graduate College), Mountwest Community and Technical College, Pierpont Community and Technical College, Shepherd University, Blue Ridge Community and Technical College, Southern West Virginia Community and Technical College, West Liberty University, West Virginia Higher Education Policy Commission (including West Virginia Network for Educational Telecomputing), West Virginia Council for Community and Technical College Education, West Virginia Northern Community College, West Virginia State University, West Virginia School of Osteopathic Medicine, West Virginia University (including Potomac State College and West Virginia University Institute of Technology), and West Virginia University at Parkersburg Community and Technical College. These entities are included in the Fund financial statements as blended component units: Concord University Research and Development Corporation, Glenville State College Research Corporation, Glenville State

College Housing Corporation, Marshall University Research Corporation, Shepherd University Research and Development Corporation, West Liberty University Research Corporation, West Virginia State University Research and Development Corporation, West Virginia University Research and Development Corporation, and West Virginia Regional Technology Park.

The Fund's component units' financial statements are included in the Fund's component unit column in the Discretely Presented Major Component Units Financial Statements of the ACFR. The component units are the separate private nonprofit organizations of each applicable institution. Those organizations report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Various foundations have been established as separate nonprofit organizations incorporated in the State of West Virginia having as their purpose “. . . to aid, strengthen and further in every proper and useful way, the work and services of the (individual institutions within the Fund), and their affiliated nonprofit organizations.” Oversight of the foundations is the responsibility of separate and independently elected Boards of Directors, not otherwise affiliated with the Fund. In carrying out its responsibilities, the Boards of Directors of the foundations employ management, form policy, and maintain fiscal accountability over funds administered by the foundations. Although the individual institutions within the Fund do not control the timing or amount of receipts from the foundations, the majority of resources, or income thereon, which the foundations hold and invest are restricted to the activities of the individual institutions within the Fund by donors. Because these restricted resources held by the foundations as detailed in the basic financial statements can only be used by, or for the benefit of, the individual institutions within the Fund, the foundations are considered component units of the individual institutions and are therefore included with the Fund's financial statements.

The West Virginia University Foundation Inc. is appropriately not reported because the economic resources held do not entirely or almost entirely benefit West Virginia University. The Kanawha Valley Community and Technical College Foundation, Inc.; the Bridgemont Community and Technical College Foundation; the Eastern West Virginia Community and Technical College Foundation Inc.; the Mountwest Foundation, Inc.; and Tech Foundation, Inc. are not included because they were not significant to their institutions. The Higher Education Foundation is not included because it was not significant to the Fund.

Complete financial statements for any college, university, or foundation can be obtained by contacting the Business Office of the West Virginia Higher Education Policy Commission, 1018 Kanawha Boulevard, E., Suite 700, Charleston, WV 25301.

West Virginia Division of Corrections and Rehabilitation

The West Virginia Division of Corrections and Rehabilitation (the Division) oversees the State's adult and juvenile offender populations. It combined the West Virginia Division of Corrections, the West Virginia Regional Jail and Correctional Facility, and the West Virginia Division of Juvenile Services into one agency. The Division is governed by a nine-member board consisting of the Commissioner of the Division of Corrections, the Assistant Commissioner of the Bureau of Juvenile Service, the Secretary of the Department of

Homeland Security, the Secretary of the Department of Administration, and five members appointed by the Governor.

School Building Authority

The School Building Authority (SBA) is governed by a ten-member board appointed by the Governor. The State Superintendent of Schools serves as president of the Authority. The remaining nine members consist of three members of the State Board of Education and six citizens, one of whom must be a representative of the construction trades. The SBA is to “facilitate and provide State funds for the acquisition, construction, and maintenance of elementary and secondary public school facilities so as to meet the educational needs of the people of the State in an efficient and economical manner.” The SBA’s program is designed to provide modern, efficient public-school facilities throughout the State by promoting the consolidation of elementary and secondary public schools, enabling the State to more efficiently utilize its educational resources.

The nonmajor discretely presented component units are composed of the following entities:

Educational Broadcasting Authority

The Educational Broadcasting Authority (EBA) consists of 11 members. Seven members are appointed by the Governor. The other four members include the State Superintendent of Schools, one member from the West Virginia Board of Education, and two members from the Policy Commission. EBA is responsible for extending educational, cultural, and informational experiences to all state citizens. This is accomplished through the construction and operation of noncommercial educational television and radio stations and related facilities statewide. EBA provides statewide telecommunication services for other state and public service agencies for nonbroadcasted activities such as teleconferencing, in-service training, and data delivery. EBA’s revenues are derived primarily through donations, with a portion of operational costs supplemented by state and federal grants.

West Virginia Division of Multimodal Transportation Facilities

The West Virginia Division of Multimodal Transportation Facilities (Multimodal Division) is the agency of the State responsible for the administration of all federal and state programs related to public ports, railroads, airports, air navigational facilities and public transit providers. The Multimodal Division is empowered to issue bonds with the approval of the Secretary of Transportation.

Solid Waste Management Board

The Solid Waste Management Board (Solid Waste) is composed of seven members. Five members are appointed by the Governor and the remaining members are the Secretary of the Department of Health and Human Resources and the Director of the Division of Environmental Protection. Solid Waste is responsible for improving collection and disposal of solid wastes and encouraging recycling, reuse, and recovery of resources from wastes. Solid Waste is the financing mechanism for solid waste projects and is empowered to issue bonds (with approval of the Water Development Authority) and set a rate structure.

Racing Commission

The Racing Commission consists of three members appointed by the Governor, by and with the consent of the Senate. The State Legislature has the ability to approve and modify the Racing Commission's budget. The Racing Commission has full jurisdiction over and shall supervise all horse race meetings, all dog race meetings, and all persons involved in the holding and conducting of race meetings. It has the power to set fees and grant licenses and permits pertaining to horse and dog race meetings, as well as to regulate the horse and dog race wagering.

Public Defender Corporation

The Public Defender Corporation represents the combined nonprofit corporations, created under authority of West Virginia Code §29-21, for the purpose of fulfilling the State's obligation to provide legal representation to eligible clients. Funding of the individual public defender corporations is by appropriation disbursed in periodic allotments determined by the Executive Director of the Public Defender Services, who is appointed by the Governor. The governing body of each public defender corporation is a Board of Directors appointed by the county commissions and the Governor.

Municipal Pension Oversight Board

The Municipal Pension Oversight Board is responsible for monitoring and improving the performance of the municipal policemen's and firemen's pension and relief funds. The board, which is the governing body, ensures legal compliance of the funds and distribution of tax revenues to the relief funds as well as any reasonable actions necessary to provide for the security and fiscal integrity of pension funds. The board consists of nine members, including the executive directors of the State's IMB and Consolidated Public Retirement Board, an active or retired member from both the Municipal Policeman's Pension and Relief Fund, and the Municipal Fireman's Pension and Retirement Fund, an attorney experienced in finance and investment matters related to pensions management, two persons experienced in pension management, a certified public accountant experienced in auditing, and one person chosen from a list of three persons submitted to the Governor. It would be misleading to exclude the Municipal Pension Oversight Board, so it is presented as a discretely presented component unit.

Discretely Presented Component Unit Financial Statements

Complete audited financial statements of the individual discretely presented component units can be obtained directly from their respective administrative offices.

Administrative Offices:

West Virginia Lottery
900 Pennsylvania Avenue
Charleston, WV 25302

Housing Development Fund
5710 MacCorkle Avenue, Southeast
Charleston, WV 25304

Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Division of Corrections and Rehabilitation
Building 84, Suite 230
1409 Greenbrier Street
Charleston, WV 25311

Educational Broadcasting Authority
600 Capitol Street
Charleston, WV 25301

Solid Waste Management Board
601 57th Street, Southeast
Charleston, WV 25304

Public Defender Corporation
One Players Club Drive, Suite 301
Charleston, WV 25311

Economic Development Authority
Northgate Business Park
180 Association Drive
Charleston, WV 25311-1217

Parkways Authority
P.O. Box 1469
Charleston, WV 25325-1469

Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, WV 25301

School Building Authority
Finance Division
2300 Kanawha Boulevard, East
Charleston, WV 25311

WV Division of Multimodal Transportation
1900 Kanawha Boulevard, East
Building 5, Room 132
Charleston, WV 25305

Racing Commission
900 Pennsylvania Avenue, Suite 533
Charleston, WV 25302

Municipal Pension Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, WV 25311

Basis of Presentation

The accompanying basic financial statements of the State of West Virginia conform to United States GAAP for governments. The GASB is the accepted standard-setting body for governmental accounting and financial reporting. In addition, GAAP requires that the State's proprietary activities apply GAAP in a similar manner as applied for business activities in the private sector. As a result, the financial statements of certain component units follow the specialized reporting practices of the insurance, housing finance agency, and other not-for-profit industries, as prescribed by the GASB. Certain net position and fund balance amounts presented for the preceding year have been restated. See Note 2 for further explanation.

The basic financial statements have been prepared primarily by the Financial Accounting and Reporting Section (FARS) of the Department of Administration from accounts maintained by the State Auditor's Office, the State Treasurer's Office, the Board of Treasury Investments, and the Investment Management Board. Additional data has been derived from the audited financial statements of certain entities and from reports and data prepared by various state agencies and departments, based on independent or subsidiary accounting records maintained by them.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government and its component units. These activities are reported as governmental activities, business-type activities, or component units. The governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange revenues, and are reported separately from the business-type activities. The business-type activities rely significantly on fees and charges to external parties. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the State's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, and other debt of resources that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- Restricted net position results when constraints are placed on net position used by external creditors, grantors, contributors, etc. or imposed by law through constitutional provisions or enabling legislation and reduced by liabilities and deferred inflows of resources related to those assets.

- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position is often designated, which indicates that management does not consider it available for general operations. They also often have constraints on resources imposed by management but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included in program revenues are reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. "Available" means expected to be collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are primarily considered available if received in the first 60 days of the new fiscal year. Significant revenues susceptible to accrual include income, sales and use, corporation, and other taxes; federal awards; federal reimbursements; and other reimbursements for use of materials and services. Revenues from federal awards are considered available when the related expenditures have been incurred and if received in 12 months. Receipts and disbursements of U.S. Government food stamps are accounted for in the General Fund. The electronic benefits transfer (EBT) process for food stamp revenue equal to expenditures is recognized when the underlying transaction (food purchase) occurs. Revenues from other sources are recognized when received.

Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement

costs, compensated absences, environmental obligations, and claims and judgments, are recorded only when payments are due.

Governmental Fund Types

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes (other than debt service and capital projects).

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State or its citizenry. The Irreducible School Fund was constitutionally established for educational purposes.

The State reports the following major governmental funds:

The General Fund is the primary operating fund of the State. It is used to account for all financial resources obtained and spent for those services normally provided by the State (e.g., health, social assistance, public safety, primary and secondary education), which are not required to be accounted for within other funds.

Transportation, a special revenue fund, has responsibility for the construction, maintenance, and improvement of all state roads; development of public transportation facilities, services, equipment, and methods; and supervision and control of commercial, state, and municipal airports and ports. Financial resources for these responsibilities are federal grants, registration fees, license fees, and taxes.

The TSFA, a debt service fund, was established to sell bonds that are being funded by projected future cash flows from the Master Settlement Agreement between the manufacturers and the states. The TSFA acquired the State's rights to the revenue under the Master Settlement Agreement. The TSFA receives the cash flows and transfers the monies to the trustee upon receipt.

State Road is a constitutionally established fund that is operated within the Department of Transportation. Certain taxes, fees, and other revenue sources are expended for the construction and maintenance of roads.

Proprietary Fund Types

Enterprise Funds are used to account for operations of those state agencies providing goods or services to the general public on a user-charge basis, or where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is

appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees and charges of the activity. These funds include the State's risk management and insurance funds as well as the Alcohol Beverage Control Administration, two water treatment loan programs, the West Virginia College and Jumpstart Savings Program Administration, and the West Virginia Infrastructure and Jobs Development Council.

Internal Service Funds account for the operations of those state agencies that provide goods and services to other state agencies and governmental units on a cost-reimbursement basis. These services include government building and vehicle maintenance and leasing, data processing functions, and the investment and management of state funds. In the government-wide statements, internal service funds are included with governmental activities.

The State reports the following major enterprise funds:

The Water Pollution Control Revolving Fund provides low-interest loans to communities to upgrade or establish sewer service, to clean up the State's water supply, and to assist local governmental entities in complying with the Clean Water Act.

The Workers' Compensation Fund provides compensation for injury or illness sustained during the course of employment with a date of injury on or before June 30, 2005 (see Note 16).

Unemployment Compensation operates local offices throughout the State to provide temporary assistance to eligible unemployed workers.

The West Virginia Infrastructure and Jobs Development Council coordinates the review and funding of water, wastewater, and economic development projects within the State through proceeds of its bond program, certain mineral severance taxes, repayments of principal and interest, and statutorily dedicated legislative appropriations from the excess lottery revenue fund.

The Public Employees' Insurance Agency and the Board of Risk and Insurance Management are the State's health insurance and risk management funds and are shown with the proprietary major funds due to their importance to management.

Types of Fiduciary Funds

Additionally, the State reports the following types of fiduciary funds:

Pension and Other Employee Benefit Trust Funds report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit retirement plans, the defined contribution retirement plan, and the multiemployer, cost-sharing other postemployment benefit plan, in which the State is a participating employer.

Investment Trust Funds report resources in external investment pools that belong to local governments and municipalities.

Private Purpose Trust Funds report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The

West Virginia College and Jumpstart Savings Programs allow citizens to invest monies for college tuition and defer taxes on earnings from those investments, and a savings program to cover costs of pursuing a career in skilled trades and vocations.

Custodial Funds report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds are taxes that will be remitted to respective local governments, hospital patient and inmate funds, performance bonds, and interest earnings.

Interfund Activity and Balances

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule are activities between funds reported as governmental activities and funds reported as business-type activities, and activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund expending the resources.

Interfund receivables and payables have been eliminated from the statement of net position, except for the residual amounts due between governmental and business-type activities.

Major Reserve/Stabilization Funds

The Revenue Shortfall Reserve Fund (Rainy Day Fund) was established in the State Code, which requires that the first 50% of all surplus General Revenue funds accrued during the fiscal year just ended must be deposited into the fund up to an aggregate amount not to exceed 13% of the total appropriations from the General Revenue Fund for the fiscal year just ended.

The Legislature is permitted to make appropriations from the fund for emergency revenue needs caused by acts of God or natural disasters or for other fiscal needs as determined by the Legislature. The Rainy Day Fund can also be invested and can retain those earnings. The first \$100 million is invested by the BTI, and any amounts over \$100 million are invested by the IMB. As of June 30, 2023, the fund contained \$435.2 million, which amounted to almost 9% of FY 2024 total appropriations. The Rainy Day Fund is reported in the General Fund as part of the unassigned fund balance.

The Legislature also authorized the Governor, by executive order, to borrow funds from the Rainy Day Fund when revenues are inadequate to make timely payments of the State's obligations. The amount borrowed may not exceed 1.5% of the General Revenue Fund estimate for the fiscal year in which the funds are borrowed and shall be repaid to the fund within 90 days of its withdrawal. Because of an expected cash flow shortfall experienced each year in the first quarter of the fiscal year, the Governor has borrowed from the fund each year since August 1996 in order to pay obligations in a timely manner. The loans were repaid before September 30 of each year, all within the 90-day limit allowed by law.

The Revenue Shortfall Reserve Fund – Part B (Rainy Day Fund – Part B) was established with the cash balance of the West Virginia Tobacco Settlement Medical Trust Fund on June 9, 2006, the effective date of the bill, West Virginia Code §11B-2-20. The funds are invested by the IMB, and interest and other returns on the invested funds are credited to the fund.

Expenditures may not be made from the Rainy Day Fund—Part B unless all monies in the Revenue Shortfall Reserve Fund have been first expended. After June 30, 2025, interest and other amounts earned on monies held in the Rainy Day Fund—Part B may be appropriated by the Legislature for continued support of the programs offered by the Public Employees’ Insurance Agency; funding for expansion of the federal-state Medicaid program; funding for public health programs, services, and agencies; funding for any State owned or operated health facilities; or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature. On June 30, 2023, the balance in the Rainy Day Fund—Part B was \$508.2 million, and it is reported in the General Fund as part of the unassigned fund balance.

The Income Tax Refund Reserve Fund was established to pay personal income tax refunds, interest, and penalties to taxpayers in a timely manner. It may also be used by the Legislature to make appropriations from the fund to address other items as the Legislature so desires. Personal income taxes received by the State can be added to this fund, if the state tax commissioner determines the balance in the fund is not sufficient to ensure the timely payment of income tax refunds. On June 30, 2023, the balance in the Income Tax Refund Reserve Fund was \$49 million, and it is reported in the General Fund as part of the unassigned fund balance.

Assets and Liabilities

Cash and Cash Equivalents – Cash equivalents are short-term investments with maturities, when purchased, of three months or less. The State Treasurer principally deposits the State’s cash in investment pools maintained by the BTI and IMB, and such deposits are generally available with overnight notice. Cash deposits in outside bank accounts are considered to be cash and cash equivalents.

Investments – Amounts reported as investments include certain deposits with the IMB, the BTI, and other investments maintained in outside accounts. The investments at IMB are maintained in investment pools having long-term investment securities designated as trading securities or established to acquire participant-directed securities. IMB’s investments in the Short-Term Fixed Income Pool are carried at amortized cost. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Investments in commingled investment pools are valued at the net asset value of the individual funds. The State also participates in three external investment pools managed by the BTI. Two are reported at amortized cost, which approximates fair value. The third is a longer-term investment pool that carries investments at fair value. The fair value of investments is derived from quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date and by inputs that are observable for an asset or a liability, either directly or indirectly. Because fair value of the investments of the State Building Fund approximates amortized cost, no noncash change in fair value is reported.

Receivables – Amounts reported as receivables in the governmental funds consist primarily of Federal revenues, taxes, and interest on investments. Receivables in all other funds represent amounts that have arisen in the ordinary course of business and are shown net of allowances for uncollectible amounts. Further disaggregation of receivable balances is disclosed in Note 5.

Public-Private Partnership Receivables (PPP) - are measured at the present value of the amount expected to be received during the PPP term. The State may receive variable payments that are dependent on the operator's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Inventories – Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported for financial statement purposes. Materials and supplies inventories are physically counted and primarily valued at the first-in, first-out (FIFO) and average cost methods at year-end. Inventories of governmental funds are recorded using the consumption method. Nonspendable fund balance is recorded for the ending inventory amount, indicating that inventory does not constitute “expendable available financial resources.” Proprietary fund and component units' inventories are valued at the lower of cost or market, cost being determined on FIFO, and are expensed when used.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time of the donation. In accordance with the capitalization policy adopted by the State for financial reporting, equipment with a purchase price in excess of \$25,000 is capitalized. Certain small blended component units follow other capitalization policies which range from \$5,000 to \$25,000 for equipment. The Fund component unit uses \$1,000 and \$5,000 thresholds. Buildings and improvements which extend the useful lives and/or significantly increase values of capitalized buildings with a combined value in excess of \$100,000 are capitalized. All land, regardless of acquisition price, is capitalized. Intangibles include off-the-shelf computer software, patents, easements, and mineral rights over \$25,000 and internally generated software over \$1 million.

West Virginia is one of few states that owns all the paved roads in the State, except for municipal streets. Infrastructure was capitalized for the first time in fiscal year 2002. Transportation's infrastructure constructed from July 1, 1980 to July 1, 2001, has been recorded at estimated historical cost. The estimated historical cost for years 1980-2001 was based on capital outlay expenditures reported by Transportation in the annual reports for those years, less an amount estimated for the historical cost of the acquisition of land for right-of-way. Transportation has not capitalized any infrastructure expenditures for assets constructed prior to July 1, 1980. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life are not capitalized. No interest was capitalized during the fiscal year. Other agencies are capitalizing all infrastructure assets.

The capital assets are depreciated over their estimated useful lives using the straight-line depreciation method. Amortization of leased assets is included with depreciation expense. Equipment, depending on type, is depreciated over 3-20 years. Buildings are depreciated over various lives, ranging from 20-50 years. The infrastructure assets are depreciated over a period of 20-50 years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Impaired assets and insurance recoveries are analyzed for significance and recorded accordingly.

The State possesses certain capital assets that have not been capitalized and depreciated, including works of art and historical treasures, such as monuments; historical documents; paintings; antiques; pioneer Native American, and Civil War artifacts, etc. Works of art and historical treasures that are held for public exhibition, education, or research in furtherance of public service, rather than financial gain; protected, kept unencumbered, cared for, and preserved; and subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections are not capitalized.

Leases – Lease contracts generally relate to land, buildings, and associated facilities such as parking, and various machinery and equipment. Short-term leases, those with a maximum possible lease term of 12 months or less, are recognized as revenue or expense based on the provisions of the lease agreement. For all other contracts where the State is the lessee, a lease liability and right-to-use asset is recognized based on the present value of future lease payments over the term of the lease. The right-to-use lease assets are amortized over the term of the lease or the life of the asset whichever is shorter. On a limited basis, the State serves as a lessor providing leases of state-owned buildings. The financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contract term, and deferred inflow of resources is amortized over the life of the lease.

The State uses its estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. The State's incremental borrowing rates range from 4.17%-4.5%. If amendment or other circumstances occur that are expected to significantly affect the amount of the lease, the present value is remeasured and adjustments are made.

The State's leases include buildings, land, equipment and software with a minimum leasing arrangement with a cost greater than \$25,000 annually. The Fund component units use \$1,000-\$5,000 thresholds. All other leases are considered immaterial to the financial statements.

Subscription Based Information Technology Arrangements (SBITA)- The State has entered into various contracts with external parties for the right-to-use information technology software on a subscription basis. Amortization on these contracts is computed using the straight-line method over the shorter of the subscription term or the estimated useful life of the asset. The State's incremental borrowing rate for subscription contracts range from 3% to 6.5%.

Insurance and Compensation Benefits – The Board of Risk and Insurance Management (BRIM), the Public Employees' Insurance Agency (PEIA), and the Workers' Compensation Fund (WCF) each represent and are accounted for as insurance enterprise funds of the State.

BRIM and PEIA are considered public entity risk pools (enterprise funds). Each organization has included the required supplementary information in its separately audited financial statements.

Other Financing Debt Payable to Component Units – The EDA has issued revenue bonds to provide financial assistance to the State’s governmental entities for the acquisition and construction of facilities. The EDA has entered into a lease purchase agreement with the State. Other Financing Debt Payable to Component Units has been recorded in the governmental activities at June 30, 2023, of approximately \$150.4 million. There is also an offset of Leases Receivable from Primary Government recorded by the EDA.

Advances – The amount of EDA loans held by the State’s General Fund at June 30, 2023, is approximately \$17.3 million and is recorded as Advances to/from Component Units. There is a revolving loan agreement with the BTI to borrow up to \$200 million to be reloaned for economic development purposes, with interest equal to the 12-month average of BTI’s yield on its cash liquidity pool, adjusted annually. Monthly payments must be sufficient to repay outstanding principal over ten years, secured by a security interest in the investments derived from the loan. At June 30, 2023, there is no outstanding balance. Another revolving loan agreement exists with the BTI to borrow up to \$80 million (\$17.3 million outstanding) to provide loan insurance for broadband projects, with interest equal to the 12-month average of BTI’s yield on its money market pool, adjusted quarterly. There is also a note payable to the BTI, nonrecourse with right of offset against a note receivable, amount not to exceed \$25 million, interest at 3%, principal due in annual installments through June 2023, unsecured. Note repayments are dependent upon the proceeds received from the investments in venture capital funds. The nonrecourse note has been written down based upon the borrowing agreement with BTI.

Long-Term Liabilities – In the government-wide financial statements and proprietary fund financial statements, long-term obligations (including claims and judgments, environmental obligations, net pension liability, net other post-employment benefits liability (OPEB), and compensated absences) are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are charged to expenses as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pollution Remediation Obligations – In the government-wide statement of net position, pollution remediation obligations, including landfills, mine reclamation, oil and gas wells, and underground storage tanks, are reported in the Accrued and Other Liabilities line item at the current value of expected outlays to fund remediation costs using a technique substantially similar to the expected cash flow technique. The technique uses contracts issued, measuring averages and standard deviations, and variances to all the other sites without contracts. A range of possible estimated amounts is used, as well as all expectations about possible cash

flows on a site-specific basis. Ranges are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In cases when remediation costs are not reasonably estimable liabilities, a liability for such cases is not reported. For a more detailed explanation of the liability, see Note 17, Commitments and Contingencies.

Pensions – The State’s retirement pension plans cover all employees of the State and are funded according to matching portions of employee payroll prescribed by the Plans. The Plans’ fiduciary net position has been determined on the same basis used by the pension plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are carried at fair value as determined by a third-party pricing service utilized by the respective investment management companies. Investment transactions are accounted for on a trade-date basis. Unrealized gains and losses are included in investment income. Investment income is determined monthly and distributed to each of the defined benefit plans participating in the investment pools on the last day of the month in the form of reinvested shares.

Other Postemployment Benefits (OPEB) – The State OPEB plan covers all employees of the State as set forth in the West Virginia Code. Accordingly, the basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for governmental entities as prescribed or permitted by the GASB. Revenues are derived mainly from contributions from plan members and employers. Members’ contributions are recognized in the period in which the contributions are due. Employers’ contributions to the RHBT are recognized pursuant to a legal requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable. RHBT cash and cash equivalents principally consist of the deposits in the Board of Treasury Investments (BTI) pooled funds recorded at fair value, as more fully described in Note 4.

Compensated Absences – Employees accumulate annual leave (vacation) balances to maximum amounts ranging from 240 to 320 hours. Most employees receive a 100% termination payment upon separation based upon their final rate of pay. The liability for annual leave is valued at 100% of the balance plus the State’s share of Social Security and retirement contributions. In lieu of a cash payment, at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. State employees earn sick leave benefits, which accumulate but do not vest. When separated from employment with the State, an employee’s sick leave benefits are considered ended and no reimbursement is provided. However, eligible employees may convert, at the time of retirement, any unused accumulated sick leave to pay a portion of the employee’s postemployment health care insurance premium. See the Other Postemployment Benefits discussion in Note 15.

Deferred Inflows/Outflows – A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

Net Position/Fund Balance – The difference between assets plus deferred outflows of resources less liabilities plus deferred inflows or resources is “Net Position” on the government-wide, proprietary, and fiduciary fund statements, and “Fund Balance” on the governmental fund statements. Net Position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net Position that is restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments, and, in some cases, by legally enforceable enabling legislation or constitution of the State is a restricted net position.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

The fund balance category, general government operations, is based primarily on the extent to which the State is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restriction from creditors, grantors, or laws and regulations of other governments, or by legally enforceable enabling legislation or constitution of the State.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by appropriation legislation passed by the State Legislature, which is the highest level of decision-making authority for the State. Those committed amounts cannot be used for any other purpose unless the Legislature passes new legislation concerning those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the government’s intent to use such funds for specific purposes, but are neither restricted nor committed, except for major reserve/stabilization arrangements. The specific purpose for which the funds are intended is expressed within the appropriation requests of the agencies and approved by the State Budget Office, according to the West Virginia State Code. Assigned fund balances include all remaining amounts (except negative amounts) that are reported in the governmental funds, other than the general fund, that are

not classified as nonspendable and are neither restricted nor committed. Amounts in the General Fund that are intended to be used for a specific purpose are also assigned. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the State has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Any negative fund balances are unassigned. The General Fund is the only fund that reports a positive unassigned fund balance.

Agency level assigned and unassigned fund balance spending is at the discretion of the agency, with approval of the State Budget Office. It is the State's overall policy to use restricted balances first, then unrestricted balances in the following order: committed, assigned, and unassigned.

Revenues and Expenditures/Expenses

In the government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type and discretely presented component units), then further by function (e.g., administration, education, transportation). Additionally, revenues are classified between program and general revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions.

In the governmental fund financial statements, revenues are reported by source. For budgetary control purposes, revenues are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either restricted by state law or by outside restriction (e.g., federal awards), available only for specified purposes. Unused restricted revenues at year-end are recorded as restricted fund balance.

In the governmental fund financial statements, expenditures are reported by character: "Current," "Capital Outlay," or "Debt Service." Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for real property or infrastructure. Debt service includes both interest and principal outlays related to bonds and payments on right to use leases.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are subclassified by object (e.g., sales, depreciation). Operating revenues and expenses generally result from providing services and producing and delivering goods. All other revenues and expenses are reported as nonoperating.

Retiree Drug Subsidies – The retiree drug subsidy (RDS) revenue from the federal government under the provisions of Medicare Part D has been recorded by the Retiree

Health Benefit Trust Fund (RHBT). RHBT has accounted for the RDS revenue as voluntary nonexchange transactions. Accordingly, RDS estimated revenue is recognized as RHBT incurs Medicare-eligible retiree prescription drug expenditures.

Other Financing Sources – These additions to governmental fund balances in the fund financial statements include resources and financing provided by bond proceeds, other financing debt, right to use leases, and transfers from other funds.

Other Financing Uses – These reductions of governmental fund resources in the fund financial statements are uses of funds that could substantially distort a government’s regular operations. They include discounts on debt issued, refunding transactions, and transfers.

Interfund Services Provided and Used – When a sale or purchase of program-related goods and/or services between funds occurs, for a price approximating their external exchange value, the seller reports revenue and the purchaser reports an expenditure or expense, depending on the fund type. Transactions between the primary government and a discretely presented component unit are generally classified as revenues and expenses, unless they represent repayments of loans or similar activities.

Effect of New Accounting Pronouncements

The GASB issued Statement No. 91, “Conduit Debt Obligations,” which provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The State implemented this GASB as of July 1, 2022. The adoption of the statement did not have a significant impact on the financial statements of the State.

The GASB issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” which aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and also provides guidance for accounting and financial reporting for availability payment arrangements. The State implemented this GASB as of July 1, 2022. See Note 6 for additional details.

The GASB issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines SBITA, establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding SBITA. The State implemented this GASB as of July 1, 2022. See Note 13 for additional details.

The GASB issued Statement No. 99, “Omnibus 2022,” to improve the consistency of authoritative literature. The statement has varying effective dates. The State implemented the requirements related to leases, PPPs, and SBITAs as of July 1, 2022. The adoption of the statement did not have a significant impact on the financial statements of the State.

The GASB issued Statement No. 100, “Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62,” to enhance requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This pronouncement defines accounting changes as well as prescribes the accounting and financial reporting for each type of accounting change and error correction. The State implemented this GASB as of July 1, 2022. See Note 2 for additional details.

Pronouncements Not Yet Adopted

The GASB issued Statement No. 99, “Omnibus 2022,” to improve the consistency of authoritative literature. The statement has varying effective dates. The requirements related to the financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, is not effective until fiscal year 2024. Management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 101, “Compensated Absences,” to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is met by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for fiscal year 2025, and management has not yet determined the financial statement impact of the pronouncement.

NOTE 2

RESTATEMENT AND RESTRICTED BALANCES

Restatement of Beginning Balances

As of July 1, 2022, the State of West Virginia implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements” (SBITAs). As a result of implementation, the Higher Education Fund restated net position to record the impact of recording SBITA assets and related liabilities for the arrangements. WVU at Parkersburg restated beginning net position related to OPEB. Together, these restatements totaled \$1,891,000.

“A Change in Reporting Entity”

Senate Bill 523 was passed during the 2022 regular session, which impacted Economic Development Authority. Effective July, 1, 2022, the West Virginia Trust Board was terminated and as of that date, all funds of the West Virginia Jobs Investment Trust were governed, administered, and accounted for by the Economic Development Authority. Net position as of July 1, 2022, was restated by \$12,769,000 to record the impact of Senate Bill 523.

On July 1, 2022, the Public Port Authority, the West Virginia State Rail Authority, Division of Public Transit, and the West Virginia State Aeronautics Commission were reestablished and merged, reconstituted, and continued as the West Virginia Division of Multimodal Transportation Facilities. The West Virginia Legislature created the Division of Multimodal Transportation Facilities under House Bill 4492 to streamline the execution and implementation of the state's multimodal transportation goals and reduce related costs by consolidating existing multimodal authorities to a single division under the Secretary of Transportation. Net position as of July 1, 2022 was restated by \$42,532,000 to record the impact of the change in reporting entity.

Water Development Authority received American Rescue Plan Act funds in the amount of \$250 million from the Governor’s Office. In the prior year, these funds were recorded as a transfer-in from the Governor’s Office; however, in the current year, these funds have been recorded as a restatement to beginning net position to properly record the funding received in accordance with GASB 33.

The effects of the adjustments are as follows (expressed in thousands):

Entity /Reporting Unit	Fund Balances or Net Position		
	As Previously Reported	Adjustment	As Restated
Governmental Funds:			
Transportation	\$ 745,842	\$ (2,941)	\$ 742,901
Total Governmental Funds	6,663,904	(2,941)	6,660,963
Component Units			
Economic Development Authority	192,556	12,769	205,325
Water Development Authority	333,384	(250,000)	83,384
Higher Education	2,846,319	(1,891)	2,844,428
Jobs Investment Trust	12,769	(12,769)	—
WV Multimodal Transportation Facilities	43,504	42,532	86,036
Total Component Units	4,497,053	(209,359)	4,287,694
Government-wide:			
Governmental Activities	11,250,825	(39,591)	11,211,234
Total Primary Government	13,780,707	(39,591)	13,741,116
Total Component Units	4,497,053	(209,359)	4,287,694

Restricted Net Position

The following table summarizes the restricted net position of funds included in “other” columns at June 30, 2023 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Restricted for:						Other Specific Fund Purposes
		Capital Projects	Lending Activities	Insurance Activities	General Government Operations	Non-Expendable		
Enterprise Funds:								
Drinking Water Treatment Revolving Fund	\$ 226,831	\$ —	\$ 226,831	\$ —	\$ —	\$ —	\$ —	\$ —
Alcohol Beverage Control Administration	1,571	—	1,571	—	—	—	—	—
West Virginia College and Jumpstart Savings Program	4,449	—	—	—	4,449	—	—	—
State Entities Worker's Compensation	9,527	—	—	9,527	—	—	—	—
	<u>242,378</u>	<u>—</u>	<u>228,402</u>	<u>9,527</u>	<u>4,449</u>	<u>—</u>	<u>—</u>	<u>—</u>
Internal Service Funds:								
State Building Fund	21,550	21,550	—	—	—	—	—	—
Travel Management	2,097	—	—	—	—	—	—	2,097
	<u>23,647</u>	<u>21,550</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,097</u>
Discretely Presented Component Units:								
Educational Broadcasting Authority	330	—	—	—	—	330	—	—
WV Multimodal Transportation Facilities	3,168	—	—	—	—	—	—	3,168
Solid Waste Management Board	4,654	—	—	—	—	—	—	4,654
Municipal Pensions Oversight Board	35,910	—	—	—	—	—	—	35,910
	<u>44,062</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>330</u>	<u>—</u>	<u>43,732</u>
Total	<u>\$ 310,087</u>	<u>\$ 21,550</u>	<u>\$ 228,402</u>	<u>\$ 9,527</u>	<u>\$ 4,449</u>	<u>\$ 330</u>	<u>\$ —</u>	<u>\$ 45,829</u>

The government-wide statement of net position reports \$3.7 million of restricted net position for the primary government, of which \$1.4 million is restricted by enabling legislation.

Restricted Fund Balance

The following table summarizes, by fund, the restricted fund balance of each of the funds included in “other” columns at June 30, 2023 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Capital Projects	Debt Service	Development, Tourism, and Recreation	Education	Public Protection
Governmental Funds:						
Special Revenue Funds:						
Environmental Protection	\$ 82,787	\$ —	\$ —	\$ —	\$ —	\$ 82,787
Public Service Commission	4,924	—	—	—	—	4,924
Wildlife Resources	72,388	—	—	72,388	—	—
	<u>160,099</u>	<u>—</u>	<u>—</u>	<u>72,388</u>	<u>—</u>	<u>87,711</u>
Capital Projects Funds:						
State Road	—	—	—	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,024	1,024	—	—	—	—
Cacapon Project Fund	2,160	2,160	—	—	—	—
Lease Purchase Accounts	11,065	11,065	—	—	—	—
	<u>14,249</u>	<u>14,249</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt Service:						
Lease Purchase Accounts	4,824	—	4,824	—	—	—
West Virginia Infrastructure and Job Development Council	165	—	165	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,007	—	1,007	—	—	—
Economic Development Project Fund	51,604	—	51,604	—	—	—
Cacapon Project Fund	1,565	—	1,565	—	—	—
State Parks Projects	3,291	—	3,291	—	—	—
	<u>62,456</u>	<u>—</u>	<u>62,456</u>	<u>—</u>	<u>—</u>	<u>—</u>
Permanent Funds:						
Irreducible School	134	—	—	—	134	—
	<u>134</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>134</u>	<u>—</u>
Total	<u>\$ 236,938</u>	<u>\$ 14,249</u>	<u>\$ 62,456</u>	<u>\$ 72,388</u>	<u>\$ 134</u>	<u>\$ 87,711</u>

NOTE 3

NET POSITION/FUND DEFICITS

Individual funds with net position/fund balance deficits at June 30, 2023, were as follows (expressed in thousands):

	<u>Net Position/ Fund Balance Deficit</u>
Discretely Presented Component Units:	
School Building Authority	\$ 44,246
Total Deficits	<u>\$ 44,246</u>

Discretely Presented Component Units

The School Building Authority of West Virginia's (the SBA) combined net position deficiency at June 30, 2023, is approximately \$44 million, which is primarily driven by future obligations related to long-term debt. These revenue bonds are secured by and satisfied from certain net profits of the West Virginia Lottery.

At year-end, the SBA had \$319.5 million in bonds outstanding, compared to \$326.4 million at June 30, 2022, a decrease of 2.11%. This decrease of \$6.9 million was due to the scheduled retirement of the existing bonds. Since the SBA receives all its debt service funding from allocations from the West Virginia Lottery, any bonds issued by the SBA will always be assigned a debt rating based on the performance of the West Virginia Lottery.

NOTE 4

DEPOSITS AND INVESTMENTS

Deposits

The State's deposit policy is described in West Virginia's Code §12-2-2 and 3. All monies are to be maintained in the State's accounting system or in an outside bank account approved by the State Treasurer's Office.

Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the State would not be able to recover its deposits or collateralized securities that are in possession of the outside parties. According to State Code §12-1-5, the amount of funds on deposit in any depository financial institution in excess of the amount insured by the FDIC shall not exceed 90% of the value of collateral pledged by the depository institution. The State minimizes custodial credit risk by obtaining the required amount of collateral in the name of the State. The State Treasurer has statutory responsibility for the daily cash management of the State's agencies, departments, boards, and commissions.

Primary Government

At June 30, 2023, the reported amount of the primary government's deposits was (\$122,494,000) and the bank balance was \$177,917,000. Of that bank balance, \$2,075,000 was uninsured and uncollateralized.

Component Units

At June 30, 2023, the reported amount of the component units' deposits was \$598,408,000 and the bank balance was \$368,950,000. Of that bank balance, \$25,088,000 was uninsured and collateralized with securities held by the pledging financial institution but not in the name of the State, and \$3,206,000 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

Investments

The Board of Treasury Investments (BTI) manages the individual investment pools and accounts of the Consolidated Fund under authority of West Virginia Code, §12-6C, West Virginia Treasury Investments Act. The Consolidated Fund provides for the investment of monies not currently needed to fund state governmental operations, as well as provides the opportunity for local governments to participate in large investment pools, and for those funds statutorily required to be invested in the Consolidated Fund.

The BTI is authorized by West Virginia Code, §12-6C-9, to invest in United States government and agency obligations, commercial paper, corporate bonds, repurchase agreements, asset-backed securities, and investments in accordance with the Linked Deposit Program, which is a program using financial institutions in the State to reduce loan costs to small businesses by offsetting interest reductions on the loans with certificates of deposit, loans approved by the Legislature, and any other programs authorized by the Legislature. In addition to the restrictions in investment types, at no time shall more than 75% of the Consolidated Fund be invested in any bond, note, debenture, commercial paper, or other evidence of indebtedness of

any private corporation or association, and at no time shall more than 5% be invested in securities issued by a single private corporation or association.

The West Virginia Investment Management Board (WVIMB) focuses on the State's long-term trust investments. The WVIMB provides prudent fiscal administration and investment management services to designated state pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other state government funds. The State Treasurer's Office determines which funds to transfer to the WVIMB and BTI for investment in accordance with West Virginia Code, policies set by the WVIMB and BTI, and by provisions of bond indentures and trust agreements, when applicable.

Investment Valuation

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

A hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3: Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Generally, the fair value of WVIMB's fund portfolio securities are determined as outlined in the hierarchy levels above and more specifically as follows and applicable:

- Equity securities and money market mutual funds are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Equity securities that trade in non-U.S. markets are valued in U.S. dollars using period-end spot market exchange rates as supplied by the pool's custodian.
- Fixed income securities are valued according to prices furnished by independent pricing services to the pool's custodian. These services determine the security prices by a number of methods, including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S.

Treasury securities, and other models and formulae appropriate to the specific security type.

- Open-end regulated investment companies (RIC) or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded.
- Credit default, interest rate, and total return swaps are valued at the last settlement price established each day by the exchange on which they are traded, are based on market values received from third parties, or are determined by valuation models.
- Foreign currency forward contracts are valued at the prevailing market exchange rates at respective dates of transactions.
- Investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interest in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2023.
- Investments in alternative risk premia (ARP) funds are generally securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. These investments are redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2023.
- Investments in hedge funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. These investments are redeemable with the fund at net asset value under the original terms of the agreement and operations of the underlying

fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2023.

Investments not generally described above are described in detail in the individual pool disclosures in the pages that follow.

The BTI is an investment vehicle of the State and its component units, all of which are government entities. The investments of the WV Money Market, WV Government Money Market, WV Bank, Loan, and Reserve pools and accounts are carried at amortized cost. The pools transact with their participants at a stable net asset value per share and meet the requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place any limitations or restrictions on participant withdrawals from the WV Money Market and WV Government Money Market pools, such as redemption notice periods, maximum transaction amounts, and any authority to impose liquidity fees or redemption gates. The specific exceptions to fair value reporting for the other pools as defined in professional standards are as follows:

<u>Pool</u>	<u>Exception</u>
WV Bank	Nonnegotiable certificates of deposit which are nonparticipating interest-earning investment contracts
Loan	Loans receivable arising from lending activities of economic development authorities

The investments of the remaining pools and participant accounts are reported at fair value, which is determined by a third-party pricing service based on asset portfolio pricing models and other sources. The BTI measures fair value at the end of each month. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the BTI are a component of the security price quoted by the seller and are included in the investment cost.

A more detailed discussion of the WVIMB's and BTI's investment pools can be found in the WVIMB's and BTI's annual reports. A copy of the WVIMB's annual report can be obtained from the following address: 500 Virginia Street East, Suite 200, Charleston, WV 25301 or <http://www.wvimb.org>. A copy of the BTI's annual report can be obtained from the following address: West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston, WV 25304 or <http://www.wvbt.org>.

Except as specifically disclosed in this note, the State currently does not have specific overall policies addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

In addition to amounts invested with the WVIMB and BTI, certain governmental funds and discretely presented component units are permitted to invest bond proceeds with third-party trustees named in bond indentures. Governmental funds, including the State Building Fund; Education, Arts, Sciences, and Tourism Fund; West Virginia Infrastructure and Jobs Development Council; Tobacco Settlement Finance Authority; the Department of Health and Human Resources; and the Department of Administration have investments with bond trustees. The West Virginia Infrastructure and Jobs Development Council enterprise fund also has investments with bond trustees. The following discretely presented component units have reported investments held with third-party trustees: Corrections and Rehabilitation; Economic Development Authority (EDA); Educational Broadcasting Authority; Jobs Investment Trust; Housing Development Fund; Parkways Authority; Water Development Authority; School Building Authority; and Higher Education Fund. WVIMB has operating funds in an institutional Treasury Money Market Fund. The Teachers' Defined Contribution Retirement System of the Consolidated Public Retirement Board and the SMART 529 College Savings Plan have their assets held by outside third parties.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. Government obligations); equities; corporate debt obligations, including commercial paper, which meet certain ratings; certain money market mutual funds; investment agreements with certain financial institutions; repurchase agreements; state and local government series (SLGS) securities; and other investments. Other investments consist primarily of single-family mortgage loans and collateralized mortgage obligations. SLGS are direct obligations of the U.S. Government, issued to state and local government entities to provide those governments with required cash flows at yields which do not exceed IRS arbitrage limits.

Repurchase Agreements

In connection with repurchase agreement transactions, it is the WVIMB's policy that its designated custodian or mutual third party take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of a repurchase transaction at all times. If a seller defaults and the fair value of the collateral declines, realization of the collateral by the WVIMB may be delayed or limited.

The BTI uses only tri-party repurchase agreements. Under the terms of a tri-party repurchase agreement, the seller transfers collateral securities to an account of the BTI's manager/agent at the seller's custodian bank. This arrangement perfects the BTI's lien on the collateral and effectively protects the BTI from a default by the seller. The BTI requires sellers in repurchase transactions to pledge collateral of at least 102% of the cash borrowed from the BTI. If a seller defaults and the fair value of the collateral declines, realization of the collateral by the BTI may be delayed or limited.

Derivatives

The State's investment strategy includes the use of derivatives as a tool in managing market risk and providing an opportunity for enhanced return. The WVIMB invests in derivative financial investments as authorized by its Board of Trustees. As of June 30, 2023, the WVIMB held derivative financial investments that included Foreign Currency Forward Contracts, Futures Contracts, Options, Credit Default Swaps, Interest Rate Swaps, and Total Return Swaps.

Additionally, the WVIMB also held derivative instruments in option contracts and credit default swaps which were deemed immaterial to the State's financial statements. The WVIMB is indirectly exposed to derivative risk through participation in institutional commingled funds. Credit risk and interest rate risk pertaining to derivatives are disclosed in each participating pool's section in this note. The change in fair value of derivatives is included in the Unrestricted Investment Earnings on the Government-wide Statement of Activities; Interest and Other Investment Income on the Statement of Revenues, Expenses, and Changes in Fund Net Position, Proprietary Funds; and Net Appreciation in Fair Value of Investments on the Statement of Changes in Fiduciary Net Position, Fiduciary Funds. The fair value of derivatives is included in the Investments and Cash Equivalents on the Government-wide Statement of Net Position; Investments on the Statement of Net Position, Proprietary Funds; and Investments on the Statement of Fiduciary Net Position, Fiduciary Funds. More details of the changes in fair value may be obtained from the financial statements of the WVIMB.

Foreign Currency

Amounts denominated in or expected to settle in foreign currencies are translated into United States dollars at exchange rates reported by the pool's custodian, Northern Trust, on the following basis:

- Market value of investment securities, other assets, and liabilities - at the closing rate of exchange at the valuation date.
- Purchases and sales of investment securities, income, and expenses - at the rate of exchange prevailing on the respective dates of such transactions.

Futures Contracts

A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the WVIMB is required to pledge collateral to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker on a daily basis for the fluctuations of the underlying securities or index.

The market risk associated with holding equity index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Investment risk associated with these futures contracts arises because of the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability or counterparties to meet the terms of the contracts. The WVIMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

Asset-Backed Securities

The WVIMB invests in various collateralized mortgage obligations (CMO), including interest-only (IO) and/or principal-only (PO) tranches, asset-backed securities, mortgage-backed securities (MBS), and structured corporate debt. The BTI has certain pools that invest in various asset-backed securities and structured corporate debt. The securities are reported at fair value. The WVIMB and BTI invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment patterns and market value of the underlying assets.

Securities Lending

The WVIMB is authorized by statute and policy to participate in a securities lending program. The WVIMB, through its lending agent, Northern Trust, lent securities of the pool to various brokers on a temporary basis. The WVIMB receive compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the WVIMB is reported in the statement of operations as net securities lending income. The agent fees and broker rebates are reported as expenses. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The WVIMB continues to receive interest and dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the financial statements of the various investment pools. The WVIMB cannot pledge or sell such collateral without a default.

At June 30, 2023, the fair value of securities on loan and collateral held by the pools of the WVIMB are as follows (expressed in thousands). Of the collateral held, \$411.5 million was received as cash. The collateral received as cash is invested in the West Virginia Custom Account.

	<u>Fair Value of Securities on Loan</u>	<u>Collateral Held</u>
Non-Large Cap Domestic Equity Pool	\$ 249,496	\$ 254,754
International Equity Pool	145,457	151,617
Total Return Fixed Income Pool	146,503	149,814
Core Fixed Income Pool	125,731	128,314
TIPS	26,011	26,616
Private Markets Pool	30,784	31,489
Total	<u>\$ 723,982</u>	<u>\$ 742,604</u>

Investment Pools

Schedule of Participation

The following schedule details the participation in the various WVIMB pools exclusive of those pools comprising the Consolidated Fund or Participant Directed Accounts as of June 30, 2023 (expressed in thousands):

	Portable Alpha Pool	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International		
				Qualified	Nonqualified	Equity
Primary Government:						
Revenue Shortfall Reserve Fund	\$ —	\$ 18,538	\$ 3,333	\$ —	\$ 4,832	\$ 8,694
Revenue Shortfall Reserve Fund B	—	50,072	8,993	—	13,072	23,257
Workers' Compensation Old Fund	—	117,264	21,664	—	30,827	54,627
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	—	5,110	925	—	1,339	2,401
Workers' Compensation Self-Insured Employer Security Risk Pool	—	6,725	1,225	—	1,760	3,129
Workers' Compensation Uninsured	—	2,311	416	—	604	1,076
Pneumoconiosis	—	27,719	5,113	—	7,269	12,840
Wildlife Endowment Fund	17,564	—	3,292	—	4,675	8,548
State Parks and Recreation Endowment Fund	8,795	—	1,491	—	2,192	3,969
Board of Risk & Insurance Management	—	25,376	4,573	—	6,641	11,755
Public Employees' Insurance Agency	—	14,924	2,802	—	3,876	6,745
WV Department of Environmental Protection Trust	—	3,137	573	—	820	1,459
WV Department of Environmental Protection Agency	—	45,051	8,103	—	11,756	21,039
Total Primary Government	26,359	316,227	62,503	—	89,663	159,539
Percentage of Ownership	0.50 %	99.75 %	6.01 %	— %	44.14 %	5.82 %
Fiduciary Funds:						
Judges' Retirement System	68,412	—	12,590	17,801	—	33,290
Emergency Medical Services Retirement System	30,062	—	5,510	7,826	—	14,622
Public Employees' Retirement System	2,063,608	—	381,971	537,494	—	1,010,684
Teachers' Retirement System	2,272,242	—	422,941	593,354	—	1,116,899
Municipal Police Officers and Firefighters' Retirement System	8,364	—	1,492	2,136	—	3,945
Municipal Policemen's or Firefighter's Pension and Relief Funds	46,460	786	8,694	12,263	—	22,806
Natural Resources Police Officer Retirement System	6,753	—	1,223	1,745	—	3,251
State Police Retirement System	78,430	—	14,294	20,357	—	37,984
State Police Death, Disability and Retirement Fund	192,747	—	35,802	50,016	—	92,655
Retiree Health Benefit Trust	422,566	—	78,472	—	112,925	206,873
Deputy Sheriff's Retirement System	77,535	—	14,251	20,179	—	37,765
Total Fiduciary Funds	5,267,179	786	977,240	1,263,171	112,925	2,580,774
Percentage of Ownership	99.46 %	0.25 %	93.95 %	100.00 %	55.59 %	94.14 %
Other Participants:						
Berkeley County Development Authority	2,098	—	385	—	554	1,018
Total Amount	\$ 5,295,636	\$ 317,013	\$ 1,040,128	\$ 1,263,171	\$ 203,142	\$ 2,741,331
State Percentage of Ownership	99.96 %	100.00 %	99.96 %	100.00 %	99.73 %	99.96 %

Short-Term Fixed Income	Total Return Fixed Income	Core Fixed Income	TIPS	Private Equity	Hedge Funds	Total (Memorandum Only)
\$ 33,740	\$ 93,801	\$ 39,596	\$ 131,653	\$ —	\$ —	\$ 334,187
—	179,474	75,773	113,294	24,494	26,455	514,884
39,763	206,194	85,526	84,200	80,621	130,559	851,245
1,815	8,929	3,764	3,596	3,498	5,667	37,044
2,223	11,709	4,945	4,754	4,599	7,448	48,517
865	4,034	1,701	1,623	1,579	2,558	16,767
8,850	48,445	20,387	19,747	19,003	30,777	200,150
110	5,388	5,280	—	20,167	7,259	72,283
739	2,536	2,493	—	9,435	3,400	35,050
9,143	44,343	18,737	17,832	17,349	28,108	183,857
—	33,833	14,119	25,089	6,454	27,800	135,642
—	1,176	495	—	2,666	1,152	11,478
—	64,068	27,046	—	11,068	47,826	235,957
97,248	703,930	299,862	401,788	200,933	319,009	2,677,061
52.12 %	30.79 %	16.70 %	100.00 %	3.24 %	12.86 %	11.05 %
369	20,594	19,752	—	77,750	27,987	278,545
2,764	9,079	8,829	—	34,182	12,306	125,180
9,213	619,106	582,903	—	2,348,329	845,126	8,398,434
71,694	679,332	638,250	—	2,592,053	932,938	9,319,703
1,394	2,481	2,451	—	9,325	3,357	34,945
1,411	14,183	13,551	—	52,674	18,961	191,789
326	2,017	1,960	—	7,624	2,744	27,643
1,204	23,792	23,125	—	88,903	32,005	320,094
436	56,513	53,092	—	218,529	78,649	778,439
—	131,059	128,160	—	487,404	175,416	1,742,875
539	23,401	22,507	—	88,136	31,726	316,039
89,350	1,581,557	1,494,580	—	6,004,909	2,161,215	21,533,686
47.88 %	69.18 %	83.26 %	— %	96.72 %	87.11 %	88.91 %
—	641	615	—	2,388	859	8,558
\$ 186,598	\$ 2,286,128	\$ 1,795,057	\$ 401,788	\$ 6,208,230	\$ 2,481,083	\$ 24,219,305
100.00 %	99.97 %	99.97 %	100.00 %	99.96 %	99.97 %	99.96 %

Investment Pool Descriptions

Portable Alpha Pool

The pool's objective is to exceed, net of external investment management fees, the S&P 500 Index over three-year to five-year periods.

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk by requiring securities purchased to have a minimum long-term rating of BBB (investment grade) and/or a short-term rating of A-2 (Tier-II). The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investment. As of June 30, 2023, the money market mutual fund has a weighted-average maturity (WAM) of 12 days.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2023 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
<i>Long-Term</i>	
AAA	\$ 416,081
AA	5,998
A	9,824
BBB	3,005
<i>Short-Term</i>	
A-1	264,928
Total Rated	699,836
Not Rated	73,796
Total Investments	<u>\$ 773,632</u>

The Portable Alpha Pool invests in asset-backed securities. The cash flows from these securities are based on the payment of the underlying collateral. The modified duration and yield to maturity of these securities are dependent on the estimated prepayment assumptions that consider historical experience, market conditions, and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2023, Portable Alpha Pool held \$12,666,000 of these securities. This represents approximately 2% of the value of the pool's fixed-income securities and less than 0.5% of the value of the pool's total investments.

The following table provides the weighted average modified for the various asset types in the pool as of June 30, 2023:

Investment Type	Fair Value (in thousands)	Effective Duration (years)
Certificates of Deposit	\$ 47,302	—
Commercial Paper	231,669	0.1
Corporate Asset Backed Issues	12,666	0.7
Foreign Corporate Bonds	3,001	—
U.S. Corporate Bonds	12,828	0.2
U.S. Government Agency Bonds	36,839	0.3
U.S. Treasury Bonds	296,424	5.5
U.S. Treasury Inflation Protected Security (TIPS)	132,903	4.4
Total	<u>\$ 773,632</u>	

Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the pool's investments in alternative risk premia funds were valued using the net asset value per share; as such, they have not been categorized in the fair value hierarchy. The fair value measurement valuation techniques for the other Portable Alpha Pool's asset categories can be found on pages 84-86.

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
ARP Fund (RIC)	\$ 221,178	\$ —	\$ —	\$ 221,178
Certificate of Deposit	—	47,302	—	47,302
Commercial Paper	—	231,669	—	231,669
Commingled Equity Fund	1,679,958	—	—	1,679,958
Corporate Asset-Backed Issues	—	12,666	—	12,666
Foreign Corporate Bonds	—	3,001	—	3,001
Futures Contracts	102,127	—	—	102,127
Money Market Mutual Fund	686,400	—	—	686,400
U.S. Corporate Bonds	—	12,828	—	12,828
U.S. Government Agency Bond	—	36,839	—	36,839
U.S. Treasury Bonds	—	296,424	—	296,424
U.S. TIPS	—	132,903	—	132,903
Total	<u>\$ 2,689,663</u>	<u>\$ 773,632</u>	<u>\$ —</u>	<u>3,463,295</u>
ARP Funds				<u>1,710,939</u>
Total				<u>\$ 5,174,234</u>

The following table presents information on investments measured at the NAV as of June 30, 2023 (expressed in thousands):

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional ^(a)	\$ 354,490	Monthly	10 to 30 days
Multi-Premia ^(b)	1,219,727	Weekly, Semi-monthly, Monthly	3 to 60 days
Relative-Value ^(c)	136,722	Monthly	30 days
Total Investment Measured at NAV	<u>\$ 1,710,939</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either short or long positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Multi-premia funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through allocation adjustments based on market opportunities. Risk is managed through a variety of quantitative constraints, including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 7% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (c) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity.

Derivative financial instruments held in the Pool are limited to equity index futures. These futures are not designated as hedging instruments under GASB Statement No. 53; they are used to obtain S&P 500 market exposure.

The table below presents the fair value, the fiscal year to date net increase (decrease) in fair value, and the notional amount of derivative financial instruments outstanding as of and for the year ended June 30, 2023 (expressed in thousands):

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value
Futures Contracts:			
Equity Index Futures Long	<u>\$ 102,127</u>	<u>\$ 489,897</u>	<u>\$ 3,350,030</u>

Large Cap Domestic Equity Pool

The pool’s objective is to exceed, net of external management fees, the S&P 500 Stock Index over three-year to five-year periods. Large Cap Domestic Equity Pool invests in the BlackRock Equity Index Fund B. BlackRock uses a replication indexing approach to achieve investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Stock Index.

Credit Risk and Interest Rate Risk

The pool invests in commingled equity fund that invests in equities included in the S&P 500 Stock Index. The value of this investment at June 30, 2023, was \$313,924,000. The pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2023, the money market mutual fund has the highest credit rating and has a weighted average maturity of 12 days. The pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commingled Equity Fund	\$ 313,924	\$ —	\$ —	\$ 313,924
Money Market Mutual Fund	3,104	—	—	3,104
Total	<u>\$ 317,028</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 317,028</u>

Commingled investment funds are valued at the net asset value of the fund as reported by the fund’s administrator. Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the IMB’s established procedures.

Non-Large Cap Domestic Equity Pool

The pool’s objective is to exceed, net of external management fees, the Russell 2500 Index over three-year to five-year periods.

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from the money market mutual fund investment and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2023, the money market mutual fund has a WAM of 12 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments and as of June 30, 2023, the WAM for cash collateral was 3 day.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic Common Stock	\$ 893,976	\$ —	\$ —	\$ 893,976
Foreign Common Stock	72,687	—	—	72,687
Money Market Mutual Fund	76,212	—	—	76,212
Securities Lending Collateral	—	112,669	—	112,669
Total	<u>\$ 1,042,875</u>	<u>\$ 112,669</u>	<u>\$ —</u>	<u>\$ 1,155,544</u>

The fair value measurement valuation techniques used for the investments in the Non-Large Cap Domestic Equity Pool can be found on pages 84-86.

International Qualified

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool’s objective is to produce investment returns that exceed the Morgan Stanley Capital International Europe Australasia Far East (MSCI EAFE) Index by 200 basis points on an annualized basis over three-year to five-year periods, net of external investment management fees. Only “qualified participants” (as defined by the Internal Revenue Code) may

invest in this pool. Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. The value of this investment at June 30, 2023, was \$1,263,214,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share practical expedient. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

International Nonqualified

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International EAFE Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. This pool exists for participants who are not "qualified." Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. The value of this investment at June 30, 2023, was \$203,149,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share practical expedient. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

International Equity

This pool invests in the equities of international companies. The objective of the International Equity Pool is to exceed, net of external investment management fees, Morgan Stanley Capital International All Country World Free Ex US Index over three-year to five-year periods.

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from the money market mutual fund investments and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2023, the money market mutual fund has a weighted-average maturity (WAM) of 12

days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2023, the WAM for the cash collateral account was 3 days.

This pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2023, consisted of the following (expressed in thousands):

Currency	Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	\$ 74,474	\$ 40	\$ —	\$ 74,514
Brazil Real	90,245	855	—	91,100
British Pound	183,367	969	7	184,343
Canadian Dollar	115,980	358	—	116,338
Chilean Peso	2,296	—	—	2,296
Chinese Yuan Onshore	—	3	—	3
Chinese Yuan Offshore	75,886	121	(1)	76,006
Danish Krone	24,169	7	—	24,176
Egyptian Pound	19	4	—	23
Emirati Dirham	16,587	23	—	16,610
Euro Currency Unit	382,739	706	1	383,446
Hong Kong Dollar	281,730	1,855	—	283,585
Hungarian Forint	5,326	342	—	5,668
Indian Rupee	138,619	54	—	138,673
Indonesian Rupiah	39,173	84	—	39,257
Israeli Shekel	2,761	47	—	2,808
Japanese Yen	287,680	3,678	1	291,359
Kuwaiti Dinar	2,374	4	—	2,378
Malaysian Ringgit	6,313	9	—	6,322
Mexican Peso	38,024	129	2	38,155
New Taiwan Dollar	172,630	193	—	172,823
New Zealand Dollar	34	—	—	34
Norwegian Krone	20,875	580	—	21,455
Philippine Peso	4,357	17	—	4,374
Polish Zloty	11,996	—	—	11,996
Russian Ruble	—	2,193	—	2,193
Qatar Riyal	1,774	—	—	1,774
Saudi Arabian Riyal	34,136	39	—	34,175
Singapore Dollar	14,854	167	—	15,021
South African Rand	16,149	3	—	16,152
South Korean Won	201,905	74	(4)	201,975
Swedish Krona	55,008	148	—	55,156
Swiss Franc	73,182	34	2	73,218
Thailand Baht	39,670	4	(8)	39,666
Turkish Lira	10,002	43	—	10,045
Subtotal	<u>2,424,334</u>	<u>12,783</u>	<u>—</u>	<u>2,437,117</u>
United States Currency	<u>265,786</u>	<u>201</u>	<u>—</u>	<u>265,987</u>
Total Assets	<u>\$ 2,690,120</u>	<u>\$ 12,984</u>	<u>\$ —</u>	<u>\$ 2,703,104</u>

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Common Stock	\$ 2,609,089	\$ —	\$ —	\$ 2,609,089
ETF	54,997	—	—	54,997
Money Market Mutual Funds	20,511	—	—	20,511
Preferred Stock	26,034	—	—	26,034
Securities Lending Collateral	—	108,807	—	108,807
Total	<u>\$ 2,710,631</u>	<u>\$ 108,807</u>	<u>\$ —</u>	<u>2,819,438</u>

The fair value measurement valuation techniques used for the investments in the International Equity Pool can be found on pages 84-86.

Short-Term Fixed Income

This pool is structured as a money market fund to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses while earning a small return above inflation. For purposes of evaluating investment returns, net of external investment management fees, this pool is expected to meet or exceed the FTSE 3 Month T-Bill index.

Credit Risk and Interest Rate Risk

The IMB limits the exposure to credit risk in the Short-Term Fixed Income Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor’s and P-1 by Moody’s. Additionally, the pool must have at least 10% of its assets in United States Treasury issues. All the pool’s investments had the highest credit rating as of June 30, 2023. The pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The IMB monitors interest rate risk of the pool by limiting the weighted average maturity (WAM) of the investments of the pool to 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

The following table provides the WAM for the different asset types in the pool as of June 30, 2023, of the Short-Term Fixed Income pool’s investments (expressed in thousands):

Investment Type	Carrying Value	WAM Days
U.S. Government Agency Bonds	\$ 94,933	8
U.S. Treasury Issues*	68,905	13
Repurchase Agreements (Underlying Securities):		
U.S. Treasury Issues*	22,771	3
Total Investments	<u>\$ 186,609</u>	9

* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Repurchase Agreement*	\$ —	\$ 22,771	\$ —	\$ 22,771
U.S. Government Agency Bonds	—	94,933	—	94,933
U.S. Treasury Issues	—	68,905	—	68,905
Total	<u>\$ —</u>	<u>\$ 186,609</u>	<u>\$ —</u>	<u>\$ 186,609</u>

*Underlying Securities:
U.S. Treasury Issues \$22,771

All securities of the Short-Term Fixed Income Pool are valued at amortized cost provided such amount approximates fair value. The basic premise underlying the use of the amortized cost method of valuation is that high-quality, short-term debt securities held until maturity will eventually return to their amortized cost value, regardless of any current disparity between the amortized cost value and fair value, and would not ordinarily be expected to fluctuate significantly in value. The pool values its securities at amortized cost so long as the deviation between the amortized cost and current market value remains minimal and results in the computation of a share price that represents fairly the current net asset value per share of \$1.

Total Return Fixed Income

The main objective of the Total Return Fixed Income Pool is to generate investment income and provide stability and diversification, but not at the expense of total return. The pool's investment objective is to outperform the Bloomberg U.S. Universal Bond Index over three-year to five-year periods, net of investment management fees.

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) and/or a short-term rating of A-2 (Tier II) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The pool holds some securities that have not received a rating from the aforementioned rating organizations. These securities have been listed as not rated in the table below. The absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The cash collateral account is not rated.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2023 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
<i>Long-Term</i>	
AAA	\$ 32,765
AA	917,161
A	130,017
BBB	610,127
BB	329,773
B	125,669
CCC	25,396
CC	8,310
D	2,223
Withdrawn	16,811
<i>Short-Term</i>	
A-1	4,632
Total Rated	<u>2,202,884</u>
Not Rated	49,260
Total Fixed Income Investments	<u>\$ 2,252,144</u>

The Total Return Fixed Income Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions, and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2023, the Total Return Fixed Income Pool held \$775,654,000 of these securities. This represents approximately 34% of the value of the pool's securities.

The pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. As of June 30, 2023, the money market mutual fund has a WAM of 12 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2023, the WAM for the cash collateral account was 3 days.

The following table provides the weighted average effective duration for the various asset types in the pool as of June 30, 2023 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Bank Loans	\$ 2,661	2.0
Commingled Debt Funds	155,511	3.6
Corporate Asset-Backed Issues	53,142	1.3
Corporate CMO	68,964	1.2
Foreign Asset-Backed Issues	70,488	(0.2)
Foreign Corporate Bonds	320,507	4.7
Foreign Government Bonds	252,975	5.5
Municipal Bonds	20,121	7.6
Repurchase Agreement	4,300	—
U.S. Corporate Bonds	441,684	5.6
U.S. Government Agency Bonds	3,359	0.1
U.S. Government Agency CMO	83,390	0.8
U.S. Government Agency CMO IO	3,697	2.6
U.S. Government Agency MBS	460,235	5.8
U.S. Government Agency TBAs	35,738	6.4
U.S. Treasury Issues	263,621	14.5
U.S. Treasury Inflation Protected Securities (TIPS)	11,751	8.8
Total	<u>\$ 2,252,144</u>	

Foreign Currency Risk

The pool has foreign fixed income, foreign equity investments, and cash that is denominated in foreign currencies and exposed to foreign currency risks. Additionally, the pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately \$35,599,000 or 23%, of the commingled debt funds hold substantially all of their investments in securities denominated in foreign currencies. This represents approximately 2% of the value of the pool's fixed income securities.

The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2023, (expressed in thousands):

Currency	Foreign Fixed Income	Common Stock	Cash	Cash Due To/From Broker	Total
Argentine Peso	\$ 57	\$ —	\$ 15	\$ —	\$ 72
Australian Dollar	—	—	355	929	1,284
Brazilian Real	64,585	—	757	—	65,342
British Pound	—	620	2,086	(40)	2,666
Canadian Dollar	—	—	1,090	—	1,090
Colombian Peso	3,964	—	—	—	3,964
Dominican Peso	3,849	—	—	—	3,849
Euro Currency Unit	23,734	—	1,035	225	24,994
Georgia Lari	769	—	—	—	769
Hungarian Forint	3,227	—	—	—	3,227
Indonesian Rupiah	22,386	—	2,163	—	24,549
Japanese Yen	2,717	—	1,376	(1,480)	2,613
Kazakhstani Tenge	3,517	—	—	—	3,517
Mexican Peso	43,251	—	1,631	1,650	46,532
New Zealand Dollar	—	—	728	—	728
Peruvian Nuevo Sol	2,486	—	—	—	2,486
Polish Zloty	3,037	—	—	—	3,037
Russian Ruble	5,586	—	772	—	6,358
South African Rand	9,288	—	1,306	—	10,594
Swedish Krona	—	—	405	—	405
Uruguayan Peso	4,933	—	—	—	4,933
Uzbekistan Som	3,202	—	—	—	3,202
Total Foreign-Denominated Investments	\$ 200,588	\$ 620	\$ 13,719	\$ 1,284	\$ 216,211
U.S. Dollar	446,043	—	(100)	10,021	455,964
Total	\$ 646,631	\$ 620	\$ 13,619	\$ 11,305	\$ 672,175

Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the pool's investments in other funds were valued using the net asset value per share; as such, they have not been categorized in the fair value hierarchy. The fair value measurement valuation techniques for the Total Return Fixed Income Pool's asset categories can be found on pages 84-86, except for the investments in other funds, which are measured using the net asset value per share practical expedient.

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bank Loans	\$ —	\$ 2,661	\$ —	\$ 2,661
Corporate ABS Residual	—	1,236	—	1,236
Corporate Asset-Backed Issues	—	53,142	—	53,142
Corporate CMO	—	68,964	—	68,964
Corporate Preferred Security	11,069	—	—	11,069
Foreign Asset-Backed Issues	—	70,488	—	70,488
Foreign Corporate Bonds	—	320,507	—	320,507
Foreign Currency Forward Contracts	—	930	—	930
Foreign Equity Investments	620	—	—	620
Foreign Government Bonds	—	252,975	—	252,975
Futures Contracts	11,309	—	—	11,309
Money Market Mutual Fund	26,041	—	—	26,041
Municipal Bonds	—	20,121	—	20,121
Options Contracts Purchased	1,892	403	—	2,295
Repurchase Agreements	—	4,300	—	4,300
Securities Lending Collateral	—	91,316	—	91,316
Swaps	—	33,493	—	33,493
U.S. Corporate Bonds	—	441,684	—	441,684
U.S. Government Agency Bond	—	3,359	—	3,359
U.S. Government Agency CMO	—	83,390	—	83,390
U.S. Government Agency CMO IO	—	3,697	—	3,697
U.S. Government Agency MBS	—	460,235	—	460,235
U.S. Government Agency TBAs	—	35,738	—	35,738
U.S. Treasury Bonds	—	263,621	—	263,621
U.S. TIPS	—	11,751	—	11,751
Total	<u>\$ 50,931</u>	<u>\$ 2,224,011</u>	<u>\$ —</u>	<u>2,274,942</u>
Commingled Debt Funds				155,511
Total				<u>\$ 2,430,453</u>

<u>Liabilities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign Currency Forward Contracts	\$ —	\$ (2,635)	\$ —	\$ (2,635)
Futures Contracts	(11,516)	—	—	(11,516)
Options Contracts Written	(5,509)	(528)	—	(6,037)
Swaps	—	(37,702)	—	(37,702)
Total	<u>\$ (17,025)</u>	<u>\$ (40,865)</u>	<u>\$ —</u>	<u>\$ (57,890)</u>

The pool's investments in commingled debt funds were measured at the net asset value (NAV) as of June 30, 2023. These commingled debt funds invest in certain niche sectors, particularly ones that are not a significant percentage to the pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would otherwise be difficult to achieve. The pool can redeem these investments daily.

Core Fixed Income Pool

The main objective of the Core Fixed Income Pool is to generate investment income and provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. manages this pool. This pool's investment objective, net of external investment management fees, is to outperform the Bloomberg U.S. Aggregate Bond Index over three-year to five-year periods, net of external management fees.

Credit Risk and Interest Rate Risk

The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating and the cash collateral account is not rated.

The following table provides the credit ratings in the Core Fixed Income Pool's fixed income investments as of June 30, 2023 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 43,966
AA	1,147,027
A	185,813
BBB	277,969
BB	10,142
B	672
CCC	120
Withdrawn	1,516
Total Rated	<u>1,667,225</u>
Not Rated	<u>105,782</u>
Total Investments	<u>\$ 1,773,007</u>

The pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. As of June 30, 2023, the money market mutual fund has a WAM of 12 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2023, the WAM for the cash collateral account was 3 days.

The WVIMB monitors interest rate risk by evaluating the effective duration of the investments in the pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation considers the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations.

The following table provides the weighted average effective duration for the pool's fixed income investments as of June 30, 2023 (expressed in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (years)</u>
Corporate Asset-Backed Issues	\$ 166,971	2.0
Corporate CMO	77,010	2.4
Corporate CMO IO	123	1.7
Corporate CMO PO	23	1.7
Foreign Asset-Backed Issues	2,281	(0.1)
Foreign Corporate Bonds	121,780	4.4
Foreign Government Bonds	3,213	11.7
Municipal Bonds	9,834	9.4
U.S. Corporate Bonds	278,937	8.0
U.S. Government Agency CMO	112,612	5.1
U.S. Government Agency CMO IO	1,393	7.7
U.S. Government Agency CMO PO	1,770	5.0
U.S. Government Agency MBS	386,105	6.0
U.S. Treasury Issues	610,955	8.2
Total	<u>\$ 1,773,007</u>	

The pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2023, the pool held \$748,288,000 of these securities. This represents approximately 42 percent of the value of the pool's fixed income securities.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Corporate Asset-Backed Issues	\$ —	\$ 166,971	\$ —	\$ 166,971
Corporate CMO	—	77,010	—	77,010
Corporate CMO IO	—	123	—	123
Corporate CMO PO	—	23	—	23
Foreign Asset-Backed Issues	—	2,281	—	2,281
Foreign Corporate Bonds	—	121,780	—	121,780
Foreign Government Bonds	—	3,213	—	3,213
Money Market Mutual Fund	40,206	—	—	40,206
Municipal Bonds	—	9,834	—	9,834
Securities Lending Collateral	—	85,912	—	85,912
U.S. Corporate Bonds	—	278,937	—	278,937
U.S. Government Agency CMO	—	112,612	—	112,612
U.S. Government Agency CMO IO	—	1,393	—	1,393
U.S. Government Agency CMO PO	—	1,770	—	1,770
U.S. Government Agency MBS	—	386,105	—	386,105
U.S. Treasury Issues	—	610,955	—	610,955
Total	\$ 40,206	\$ 1,858,919	\$ —	\$ 1,899,125

The fair value measurement valuation techniques used for the Core Fixed Income Pool can be found on pages 84-86.

TIPS Pool

The pool was established to offer an additional level of diversification over and above nominal fixed income securities in an attempt to mitigate the risk of inflation. The pool invests in Treasury Inflation-Protected Securities (TIPS) and its objective is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. Through May 31, 2023, the pool's performance was measured against the Bloomberg U.S. Treasury Inflation Protection Index on an annualized basis over rolling three-year to five-year periods, gross of fees. As of June 1, 2023, the pool's performance is measured against the Bloomberg 1-10 Year Treasury Inflation Protected Securities Index on an annualized basis over rolling three-year to five-year periods, gross of fees. Assets were invested in the BlackRock U.S. Treasury Inflation Protected Securities Fund B through May 24, 2023. Effective May 25, 2023, assets are managed by Northern Trust Investment, Inc.

Credit Risk and Interest Rate Risk

The WVIMB limits the exposure of credit risk in the Pool's fixed income investments by primarily investing in United States Treasury Inflation-Protected Securities (U.S. TIPS). The pool is exposed to credit risk from its money market mutual fund investment. The WVIMB reviews available rating from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. As of June 30, 2023, all of the pool's U.S. TIPS investments had a credit rating of AA. The money market fund has the highest credit rating. The pool is exposed to interest rate risk through its fixed income investments and money market mutual fund investment. The WVIMB monitors the interest rate risk of U.S. TIPS by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that

measures the expected change in the price of a fixed income security for a 1% change in interest rates. As of June 30, 2023, the effective duration for the U.S. TIPS investments was 3.5 years. As of June 30, 2023, the money market mutual fund has a weighted average maturity of 12 days.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with GASB 72 fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$ 128	\$ —	\$ —	\$ 128
U.S. TIPS	—	396,200	—	396,200
Total	<u>\$ 128</u>	<u>\$ 396,200</u>	<u>\$ —</u>	<u>\$ 396,328</u>

Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the WVIMB’s established procedures.

Private Markets Pool

The objective of the pool is to enhance the diversification and stability of the portfolio, while generating a higher level of income than generally available in the public fixed income markets and to provide for long-term growth of participants’ assets and risk-reduction through diversification. The pool primarily holds the WVIMB’s investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds.

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from its fixed income investments, money market fund investments, investments in unrated private credit and income funds, and certain investments made with cash collateral for securities loaned. The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor’s and Moody’s, and reports the rating indicative of the greatest degree of risk. The money market fund has the highest credit rating. Credit risk associated with the unrated private credit and income funds is limited by requiring that underlying fund holdings are at least 90% collateralized by one or more assets of the issuer.

The following table provides the credit ratings in the Private Markets Pool’s fixed income investments as of June 30, 2023 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
A	\$ 265
BBB	9,348
BB	1,887
C	83
Total Investments	<u>\$ 11,583</u>

Credit risk from securities lending collateral investments is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody’s or Standard & Poor’s at the time of purchase. The WVIMB reviews available ratings from Standard & Poor’s and Moody’s, and reports the rating indicative of the greatest degree of risk.

The pool is exposed to interest rate risk through its investments in U.S. corporate bonds, private credit and income funds, securities lending collateral investments, and a money market mutual fund. The WVIMB monitors interest rate risk of U.S. corporate bonds by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds. As of June 30, 2023, the effective duration for U.S. corporate bonds was 5.2 years. The WVIMB manages interest rate risk of the private credit and income funds by investing primarily in funds that originate or invest in loans that have a variable or floating interest rates, most of these investments have relatively short durations, and final maturities are within three-years to five-years. As of June 30, 2023, the money market mutual fund has a WAM of 12 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2023, the WAM for securities lending collateral was 3 days.

Foreign Currency Risk

The pool holds foreign common stock, real estate limited partnerships and funds, and cash that is denominated in foreign currencies that are exposed to foreign currency risks. The investments in private equity partnerships and private credit and income funds might be indirectly exposed to foreign currency risk.

The amounts at fair value (U.S. dollars) if investments and cash denominated in foreign currencies as of June 30, 2023, (expressed in thousands):

<u>Currency</u>	<u>Foreign Common Stock</u>	<u>Real Estate Limited Partnerships and Funds</u>	<u>Cash</u>	<u>Total</u>
Australian Dollar	\$ 3,685	\$ —	\$ —	\$ 3,685
British Pound	3,974	—	—	3,974
Canadian Dollar	1,664	61,089	—	62,753
Euro Currency Unit	5,974	122,566	—	128,540
Hong Kong Dollar	4,620	—	—	4,620
Japanese Yen	8,340	—	28	8,368
Singapore Dollar	2,857	—	—	2,857
Swedish Krona	955	—	—	955
Swiss Franc	1,136	—	—	1,136
Total foreign-denominated investments	<u>\$ 33,205</u>	<u>\$ 183,655</u>	<u>\$ 28</u>	<u>\$ 216,888</u>
U.S. Dollar	2,006	2,016,618	(18)	2,018,606
Total	<u>\$ 35,211</u>	<u>\$ 2,200,273</u>	<u>\$ 10</u>	<u>\$ 2,235,494</u>

Fair Value Measurements

The fair value measurement valuation techniques for the Private Markets Pool's asset categories can be found on pages 84-86, except for private credit and income funds, private equity partnerships, and real estate limited partnerships and funds which are measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the pool's assets and liabilities are measured at June 30, 2023. All the investments valued using the net asset value per share practical expedient are not required to be categorized in the fair value hierarchy below as of June 30, 2023 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign Common Stock	\$ 35,211	\$ —	\$ —	\$ 35,211
Money Market Mutual Fund	102,222	—	—	102,222
Securities Lending Collateral	—	12,799	—	12,799
U.S. Common Stock	165,185	—	—	165,185
U.S. Corporate Bonds	—	11,583	—	11,583
U.S. Preferred Stock	10,577	—	—	10,577
Total	<u>\$ 313,195</u>	<u>\$ 24,382</u>	<u>\$ —</u>	<u>337,577</u>
Private Credit & Income Funds				905,767
Private Equity Partnerships				2,762,811
Real Estate Limited Partnership and Funds				2,200,273
Total				<u>\$ 6,206,428</u>

The following table presents information on investments measured at the NAV as of June 30, 2023 (expressed in thousands):

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private Credit & Income Funds:					
Core Debt (b)	\$ 549,338	\$ 128,749	N/A	Quarterly	45 days
Opportunistic Debt (c)	146,939	147,895	2026 to 2031	N/A	N/A
Specialty Credit (d)	209,490	176,298	2023 to 2032	N/A	N/A
Private Equity Partnerships:					
Corporate Finance – Buyout (e)	1,826,637	526,529	2023 to 2035	N/A	N/A
Corporate Finance – Distressed Debt (f)	32,076	16,263	2024	N/A	N/A
Corporate Finance – Growth Equity (g)	156,717	72,879	2023 to 2031	N/A	N/A
Corporate Finance – Hard Assets (h)	137,442	37,235	2023 to 2033	N/A	N/A
Corporate Finance – Mezzanine (i)	1,886	480	N/A	N/A	N/A
Corporate Finance – Structured Capital (j)	81,780	21,967	2023 to 2028	N/A	N/A
Corporate Finance – Turnaround (k)	102,132	106,394	2024 to 2032	N/A	N/A
Venture Capital (l)	424,141	51,214	2024 to 2034	N/A	N/A
Real Estate Limited Partnerships and Funds:					
Core (m)	1,210,979	7,500	N/A	Quarterly	45-60 days
Opportunistic (n)	297,442	286,576	2023 to 2034	N/A	N/A
Value (o)	691,852	579,621	2023 to 2065	Quarterly	90 days
Total	\$ 5,868,851	\$ 2,159,600			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Core Debt funds are primarily senior-secured commercial loans that are on the more conservative end of the spectrum of the private credit market. This may also include funds that invest in senior real estate mortgages and other debt that is structured such that it is considered to have a core risk/return profile. The returns on core private credit investments are expected to be derived from contractual income.
- (c) Opportunistic Debt funds is a broad classification that includes different types of debt strategies that have the highest risk-return profile in the private credit market. This may include strategies that invest in distressed debt, complex capital solutions, special situation loans, or market dislocations. It also includes specialized financing to specific industries that are underserved by the general debt markets. The returns on these assets are generally derived from both contractual income and an equity component.
- (d) Specialty Credit funds typically invest in asset-backed loans collateralized by commercial or consumer receivables, assets, or loans, as well as other specialty types of commercial loans. This also includes real estate debt funds that invest in mezzanine or other subordinated real estate debt, and/or target higher risk properties than a typical core fund. Specialty Credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (e) Corporate Finance – Buyout funds acquire controlling or influential interests in companies.
- (f) Corporate Finance – Distressed Debt funds acquire the debt of companies experiencing operational or financial distress, usually converting the debt to equity and exercising control of the business.
- (g) Corporate Finance – Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (h) Corporate Finance – Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (i) Corporate Finance – Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (j) Corporate Finance - Structured Capital funds combine common equity, preferred equity, fixed income, and/or customized debt instruments to offer capital appreciation with downside protection.
- (k) Corporate Finance – Turnaround funds acquire the debt and or equity of companies experiencing operational or financial distress in order to radically reorganize and improve the business.
- (l) Venture Capital funds make investments in early-stage through late-stage companies, frequently start-ups in technology or healthcare.
- (m) Core funds are more conservative real estate investments that use a very modest level of financing to acquire and hold high-quality, stable properties typically located in major markets. Assets within these strategies tend to have high occupancy rates, higher credit tenants, and staggered lease terms, with a number of long-term leases expiring in five to ten years.
- (n) Opportunistic funds have higher risk/return profiles and have broad strategies to achieve these types of returns. Common strategies are properties that need significant rehabilitation or a total redevelopment to transition to a different type of property (for example, converting an office building to condominiums). It may also include new development, distressed debt strategies, and more complex transactions, as well as a more traditional value-add strategy that is financed with a higher amount of leverage.
- (o) Value funds typically use more leverage than core funds and target higher return opportunities by acquiring properties that the manager believes they can add value through capital renovations to the physical facility or enhanced leasing and management activities. Most of these properties have in-place cash flow, which is expected to increase as the business plans are implemented. This could include making physical improvements to the asset that will allow it to command higher rents, increasing efforts to lease vacant space at the property to quality tenants, or improving the management of the property and thereby increasing customer satisfaction or lowering operating expenses where possible.

Hedge Fund

This pool was established to hold the WVIMB’s investments in hedge funds. The objective of this pool is to reduce risk through diversification of participants’ assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Fund Composite index plus 100 basis points. The secondary benchmark is the FTSE 3 Month US T-Bill Index plus 500 basis points. This pool holds shares in hedge funds and shares of a money market fund. As of June 30, 2023,

the money market mutual fund is highest rated and has a WAM of 12 days. The investments in hedge funds might be indirectly exposed to foreign currency risk, interest rate risk, and/or custodial credit risk. As of June 30, 2023, the pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient.

All of the pool's investments in hedge funds were valued using the net asset value per share practical expedient.

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Fund	\$ 5,795	\$ —	\$ —	\$ 5,795
Hedge Funds				2,471,798
Total				<u>\$ 2,477,593</u>

The following table presents information on investments measured at the NAV as of June 30, 2023 (expressed in thousands):

<u>Hedge Fund Strategies</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Directional (a)	\$ 165,411	Monthly	5 to 10 days
Equity Long/Short (b)	465,886	Quarterly	45 to 90 days
Event-Driven (c)	149,664	Quarterly	180 days
Long-Biased (d)	81,963	Monthly	90 days
Multi-Strategy (e)	1,300,872	Monthly, Quarterly, Semi-annually	45 to 90 days
Relative-Value (f)	254,724	Weekly, Quarterly	5 to 60 days
	<u>2,418,520</u>		
In liquidation (g)	53,278		
Total Investment Measured at NAV	<u>\$ 2,471,798</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either short or long positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Equity long/short funds involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. Investments representing approximately 67% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions, including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. The sole fund in this investment strategy is subject to maximum withdrawal restrictions.
- (d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.
- (e) Multi-strategy funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints, including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 86% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative, or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between investments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 59% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (g) Funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

Investments in hedge funds are securities for which market quotations are not readily available. The IMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset

value as a practical expedient for fair value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the WVIMB's interest in the funds.

Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2023.

Consolidated Fund

The Consolidated Fund is a statutory term for the collective investment of those monies not currently needed to fund state governmental operations or participation by local governments, or those monies that are required by other statutory provisions to be invested in the Consolidated Fund. The following seven investment pools and participant-directed accounts comprise the Consolidated Fund and are managed by the BTI.

WV Money Market

This pool consists of the operating funds of the State, funds held by state agencies, and funds from local governments that desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and to supply the daily cash needs of the State. The pool is co-managed by Federated Hermes and UBS Global Asset Management.

Credit Risk

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all corporate debt to be rated A+ or higher by Standard & Poor's (or its equivalent) and short-term corporate debt be rated as A-1 or higher by Standard & Poor's (or its equivalent).

The following table provides information on the credit ratings as of June 30, 2023, of the WV Money Market Pool's investments (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
Corporate Bonds and Notes	A-1	\$ 50,000	0.50%
Commercial Paper	A-1+	2,281,084	23.14%
	A-1	4,522,938	45.88%
Negotiable Certificates of Deposit	A-1+	553,000	5.61%
	A-1	1,397,000	14.17%
Money Market Funds	AAAm	220,607	2.24%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	512,000	5.19%
U.S. Agency Bonds and Notes	AA+	322,500	3.27%
Total		<u>\$ 9,859,129</u>	<u>100%</u>

* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

Interest Rate Risk

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides information on the WAM for the various asset types in the WV Money Market Pool as of June 30, 2023 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Custodial Funds	Component Units	WAM (Days)
Corporate Bonds and Notes	\$ 50,000	\$ 33,895	\$ 3,135	\$ 310	\$ 12,660	15
Commercial Paper	6,804,022	4,612,447	426,612	42,185	1,722,778	25
Negotiable Certificates of Deposit	1,950,000	1,321,905	122,265	12,090	493,740	56
Repurchase Agreements						3
(Underlying Securities):						
U.S. Treasury Bonds and Notes	512,000	347,086	32,102	3,174	129,638	
U.S. Agency Bonds and Notes	322,500	218,622	20,221	2,000	81,657	
Money Market Funds	220,607	149,549	13,832	1,368	55,858	3
Total	<u>\$ 9,859,129</u>	<u>\$ 6,683,504</u>	<u>\$ 618,167</u>	<u>\$ 61,127</u>	<u>\$ 2,496,331</u>	29
Percentage of Ownership	100%	67.79%	6.27%	0.62%	25.32%	

WV Government Money Market

This pool consists of investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, U.S. Government Agency Obligations, or repurchase agreements. The pool is managed by UBS Global Asset Management.

Credit Risk

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. Government Agency issues, money market funds investing in U.S. Treasury issues and U.S. Government Agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. Government Agency issues.

The following table provides information on the credit ratings of the WV Government Money Market Pool's investments as of June 30, 2023 (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 11,997	2.20%
U.S. Treasury Bills*	A-1+	3,949	1.06%
U.S. Agency Bonds and Notes	AA+	49,500	13.19%
U.S. Agency Discount Notes	A-1+	146,775	39.14%
Money Market Funds	AAA	257	0.07%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	85,000	22.67%
U.S. Agency Bonds and Notes	AA+	77,500	20.67%
Total		<u>\$ 374,978</u>	<u>100%</u>

* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

Interest Rate Risk

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides information on the WAM for the various asset types in the WV Government Money Market Pool as of June 30, 2023 (expressed in thousands):

Security Type	Carrying Value	Primary Government	Investment Trust Fund	Component Units	WAM (Days)
U.S. Treasury Notes	\$ 11,997	\$ 386	\$ 11,371	\$ 240	3
U.S. Treasury Bills	\$ 3,949	127	3,743	79	90
U.S. Agency Bonds and Notes	\$ 49,500	1,594	46,916	990	3
U.S. Agency Discount Notes	\$ 146,775	4,726	139,113	2,936	36
Repurchase Agreements (Underlying Securities):					3
U.S. Treasury Notes	\$ 85,000	2,737	80,563	1,700	
U.S. Agency Bonds and Notes	\$ 77,500	2,495	73,455	1,550	
Money Market Funds	\$ 257	8	244	5	3
Total	<u>\$ 374,978</u>	<u>\$ 12,073</u>	<u>\$ 355,405</u>	<u>\$ 7,500</u>	17
Percentage of Ownership	100%	3.22%	94.78%	2.00%	

WV Short-Term Bond

This pool consists of the operating funds of the State that are not immediately needed to fund the State's liquidity requirements. The pool is managed by Sterling Capital Management.

Credit Risk

The BTI limits the exposure to credit risk in the WV Short-Term Bond Pool by requiring all corporate debt be rated BBB- or higher by Standard & Poor's (or its equivalent) and all short-term corporate debt be rated A-1 or higher by Standard & Poor's (or its equivalent). Mortgage-backed and asset-backed securities must be rated AAA by Standard & Poor's (or its equivalent).

The following table provides information on the credit ratings of the WV Short-Term Bond Pool's investments as of June 30, 2023 (expressed in thousands):

Security Types	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 139,870	19.94%
U.S. Government Agency Bonds	AA+	2,351	0.34%
U.S. Agency Collateralized Mortgage Obligations:			
U.S. Government Guaranteed*	AA+	7,288	1.04%
Non-U.S. Government Guaranteed	AA+	864	0.12%
Corporate Bonds and Notes	AAA	5,776	0.82%
	AA+	5,220	0.74%
	AA	6,279	0.90%
	AA-	17,640	2.51%
	A+	51,316	7.32%
	A	57,546	8.20%
	A-	103,749	14.81%
	BBB+	44,723	6.37%
	BBB	21,770	3.10%
	BBB-	41,697	5.94%
	BB+	3,505	0.50%
	NR	11,189	1.59%
Collateralized Mortgage Obligations	AAA	3,071	0.44%
	NR	10,606	1.51%
Municipal Securities	AAA	9,010	1.28%
	AA+	12,571	1.79%
	AA	11,095	1.58%
	AA-	7,693	1.10%
	NR	2,764	0.39%
Asset-Backed Securities	AAA	97,491	13.90%
	NR	17,814	2.54%
Money Market Funds	AAA	8,652	1.23%
Total		<u>\$ 701,550</u>	<u>100%</u>

NR = Not Rated. Securities are not rated by Standard & Poor's but are rated by Moody's, Fitch and/or DBRS Morningstar.

*U.S. Agency Mortgage-Backed Securities are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

Interest Rate Risk

The overall effective duration of the investments of the WV Short-Term Bond Pool is limited to a +/- 30% band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate & Government Index.) As of June 30, 2023, the effective duration of the benchmark was 672 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase.

The following table provides information on the effective duration for the various asset types in the WV Short-Term Bond Pool as of June 30, 2023 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Component Units	Effective Duration (Days)
U.S. Treasury Bonds and Notes	\$ 139,870	\$ 126,401	\$ 5,259	\$ 8,210	709
U.S. Government Agency Bonds	2,351	2,125	88	138	530
U.S. Agency Collateralized Mortgage Obligations	8,152	7,366	307	479	63
Corporate Fixed-Rate Bonds and Notes	355,045	320,854	13,350	20,841	660
Corporate Floating-Rate Bonds and Notes	15,365	13,885	578	902	(39)
Commercial Mortgage-Backed Securities	13,677	12,360	514	803	346
Municipal Securities	43,133	38,979	1,622	2,532	374
Asset-Backed Securities	115,305	104,202	4,335	6,768	618
Money Market Funds	8,652	7,819	325	508	—
Total	\$ 701,550	\$ 633,991	\$ 26,378	\$ 41,181	609
Percentage of Ownership	100%	90.37%	3.76%	5.87%	

Fair Value Measurements

The table below summarizes the valuation for the WV Short-Term Bond Pool in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 139,870	\$ —	\$ —	\$ 139,870
U.S. Government Agency Bonds	—	2,351	—	2,351
U.S. Agency Collateralized Mortgage Obligations	—	8,152	—	8,152
Corporate Fixed-Rate Bonds and Notes	—	355,045	—	355,045
Corporate Floating-Rate Bonds and Notes	—	15,365	—	15,365
Commercial Mortgage-Backed Obligations	—	13,677	—	13,677
Municipal Securities	—	43,133	—	43,133
Asset-Backed Securities	—	115,305	—	115,305
Money Market Funds	8,652	—	—	8,652
Total	\$ 148,522	\$ 553,028	\$ —	\$ 701,550

The fair value measurement valuation techniques used for the WV Short-Term Bond Pool can be found on pages 84-86.

WV Bank Pool

This pool consists of certificates of deposit purchased by the State through the West Virginia CD program. The program purchases CDs from eligible banks and depositories to make state investment funds available for consumer and business loans within the State. The interest in a money market mutual fund valued at approximately \$65,000.

Loan Pool

This pool is composed of loans made by the State. The \$1 unit price is utilized for accounting purposes only. The State is the sole participant in this pool. This pool primarily holds intergovernmental loans and an investment in a money market mutual fund in the amount of approximately \$69,000 with a weighted-average maturity of one day which is rated AAAM by Standard & Poor's. The loans are not rated by any nationally recognized statistical rating organization; however, as there is the potential for defaults, they are exposed to credit risk. For financial statement purposes, the intergovernmental loans are reflected in the Advances to Component Units line on the Statement of Net Position. The BTI addresses the credit risk by evaluating the need for and establishing a reserve for uncollectible loans.

Reserve Pool

This pool is composed of an interest-bearing depository account with United Bank. The pool was created to provide an added layer of security for the WV Money Market and WV Government Money Market pools. The objective of this pool is to provide support for the WV Money Market and WV Government Money Market pools to ensure their unit net position levels do not fall below \$0.9985. The State is the sole participant in this pool. This account was closed effective October 19, 2022.

Participant-Directed Accounts

The BTI also maintains pools for individual state agencies with specific investment needs. These pools include the following: Municipal Bond Commission (MBC), School Fund, and Economic Development Authority-American Woodmark (EDA-AW). Each agency is the sole owner of the investments in its pool and is responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. Effective June 1, 2023, the MBC Account was closed after the MBC withdrew the proceeds of matured investments held in the account. The EDA-AW account is expected to close in August 2023 after the Treasury security held by the account matures.

School Fund

The School Fund account holds an interest in a money market mutual fund valued at \$1,019,000 using Level 1 inputs with a weighted-average maturity of one day. The mutual fund is rated AAAM by Standard & Poor's and Aaa by Moody's as of June 30, 2023 (expressed in thousands):

<u>Security Type</u>	<u>Carrying Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Governmental Activities:					
Money Market	\$ 1,019	\$ 1,019	\$ —	\$ —	\$ —

EDA-AW

This account holds a U.S. Treasury bond valued at \$1,446,000 using Level 1 inputs that mature on August 15, 2023. The EDA's investment policy limits this account to holding only U.S. Treasury securities with 20 year maturities at time of purchase as of June 30, 2023 (expressed in thousands):

<u>Security Type</u>	<u>Carrying Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Component Unit Activities:					
U.S. Treasury Bond	\$ 1,446	\$ 1,446	\$ —	\$ —	\$ —

This schedule reconciles disclosed investment values to net asset values of the pools as reflected in the accompanying financial statements, at IMB and BTI at June 30, 2023 (expressed in thousands):

IMB Pools	Disclosed Value	Pool Receivables/ (Payables)	Net Asset Values
Portable Alpha Pool	\$ 5,174,234	\$ 121,402	\$ 5,295,636
Large Cap Domestic Equity Pool	317,028	(15)	317,013
Non-Large Cap Domestic Equity Pool	1,156,063	(115,935)	1,040,128
International Qualified	1,263,214	(43)	1,263,171
International Nonqualified	203,149	(7)	203,142
International Equity**	2,819,438	(78,107)	2,741,331
Short-Term Fixed Income	186,609	(11)	186,598
Total Return Fixed Income**	2,430,453	(144,325)	2,286,128
Core Fixed Income	1,899,125	(104,068)	1,795,057
TIPS Pool	396,328	5,460	401,788
Private Markets Pool	6,206,428	1,802	6,208,230
Hedge Fund	2,477,593	3,490	2,481,083
BTI Pools			
WV Money Market Pool	9,859,129	19,146	9,878,275
WV Government Money Market Pool	374,978	429	375,407
WV Short-Term Bond Pool	701,550	(73)	701,477
WV Bank Pool	65	—	65
Loan Pool	17,393	73	17,466
School Fund Account	1,019	4	1,023
EDA-AW	1,447	34	1,481
Total Pooled Investments	<u>35,485,243</u>	<u>(290,744)</u>	<u>35,194,499</u>
Less EDA	<u>17,324</u>	<u>—</u>	<u>17,324</u>
Total for Disclosure	<u>\$ 35,467,919</u>	<u>\$ (290,744)</u>	<u>\$ 35,177,175</u>

**Pools had cash denominated in foreign currencies.

Outside Investments

In addition to the amounts invested with the IMB above, certain funds are permitted to invest bond proceeds with a third-party trustee named in the bond indenture. The following information relates to these outside investments.

Credit Risk

The following table provides information on the credit ratings of the State's third-party trustee investments as of June 30, 2023 (expressed in thousands):

Security Type	Carrying	Credit Rating	
		S&P	Moody's
Primary Government:			
Money Market/Mutual Funds	\$ 309,940	AAAm	Aaa-mf
Money Market/Mutual Funds	5,704	AAA	Aaa
Money Market/Mutual Funds	35,258	Unrated	Unrated
Corporate Bonds	8,763	A-1	P-1
U.S. Government and Agency Obligations	93,061	AA+	Aaa
Total Primary Government	<u>\$ 452,726</u>		
Pension & Private Purpose Trust Funds:			
Money Market/Mutual Funds	\$ 2,995,291	Unrated	Unrated
Guaranteed Investment Contract	552,688	Unrated	Unrated
Total Pension & Private Purpose Trust Funds	<u>\$ 3,547,979</u>		
Component Units:			
Common and Preferred Stocks	\$ 209,387	Unrated	Unrated
Corporate Bonds	3,069	AA+-BBB	Aaa-Baa2
Corporate Bonds	32,220	Unrated	Unrated
Corporate Stock	2,920	Unrated	Unrated
Fixed Income Fund	1,692	Unrated	Unrated
Fixed Income Fund	111	AA+	Unrated
Fixed Income Fund	9,875	Unrated	Aa2
Money Market/Mutual Funds	6,851	Unrated	Aa3
Money Market/Mutual Funds	36,828	AAAm	Aaa-mf
Money Market/Mutual Funds	6,495	Unrated	BBB
Money Market/Mutual Funds	19,362	AA+	Aaa
Money Market/Mutual Funds	319,115	Unrated	Unrated
Money Market/Mutual Funds	92,373	AAAm	Aaa
Mortgages Held for Investment	14,275	Unrated	Unrated
Other Investments	394	AA+	Unrated
Other Investments	276,255	Unrated	Unrated
Other Investments	93,389	AA+	Aaa
Repurchase Agreements *	5,804	Unrated	Unrated
State and Local Government Securities	267	AAA	Aaa
U.S. Government and Agency Obligations	84,552	AAA	Aaa
U.S. Government and Agency Obligations	120,469	AA+	Aaa
U.S. Government and Agency Obligations	10,113	AAAm	Aaa-mf
U.S. Government and Agency Obligations	38,940	Unrated	Unrated
U.S. Government and Agency Obligations	38,596	Unrated	Aaa
Total Component Units	<u>\$ 1,423,352</u>		

Underlying Securities:

* Component Units:

The \$5,804 is invested in U.S. Government National Mortgage Association Securities.

Concentration of Credit Risk

As of June 30, 2023, the State had investment balances with the following issuers which are greater than or equal to 5% of the respective third-party trustee investment balance (expressed in thousands):

Security Type	Carrying Value	Issuer	Percentage of Concentration
Component Units:			
Other Investments	\$ 270,340	The \$129,379,000 of the \$270,340,000 is invested by the Foundations at the Higher Education institutions, which are reported under FASB and the information is not available.	19.0%
Common & Preferred Stock	\$ 209,387	Common Stock	14.7%

Interest Rate Risk

The following table provides information on the interest rate risk of the State's third-party trustee investments as of June 30, 2023 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities (Years)				N/A
		Less Than 1	1-5	6-10	More Than 10	
Primary Government:						
Money Market/Mutual Funds	\$ 350,902	\$ 350,902	\$ —	\$ —	\$ —	\$ —
Corporate Bonds	8,763	8,763	—	—	—	—
U.S. Government and Agency Obligations	93,061	93,061	—	—	—	—
Total Primary Government	452,726	452,726	—	—	—	—
Pension & Private Purpose Trust Funds:						
Money Market/Mutual Funds	2,995,291	2,995,291	—	—	—	—
Guaranteed Investment Contract	552,688	552,688	—	—	—	—
Total Pension & Private Purpose Trust Funds	3,547,979	3,547,979	—	—	—	—
Component Units:						
Common and Preferred Stocks	209,387	—	—	—	—	209,387
Corporate Bonds	35,289	—	7,931	389	—	26,969
Corporate Stock	2,920	2,920	—	—	—	—
Fixed Income Fund	11,678	467	5,356	3,811	2,044	—
Money Market/Mutual Funds	481,024	219,967	40,666	5,578	3,438	211,375
Mortgages Held for Investment	14,275	—	292	302	13,681	—
Other Investments	370,038	23,271	71,084	—	—	275,683
Repurchase Agreements*	5,804	5,804	—	—	—	—
State and Local Government Securities	267	—	17	250	—	—
U.S. Government and Agency Obligations	292,670	135,176	119,674	9,842	—	27,978
Total Component Units	1,423,352	387,605	245,020	20,172	19,163	751,392
Total Outside Investments	\$ 5,424,057	\$ 4,388,310	\$ 245,020	\$ 20,172	\$ 19,163	\$ 751,392

Underlying Securities:

*Component Units:

The \$5,804 is invested in U.S. Government National Mortgage Association Securities.

Fair Value Measurements

U.S. GAAP does not require the categorization within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the outside investments were valued using the net asset value per share practical expedient. These investments involve varying degrees of illiquidity and varying times of commitments to those investments.

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2023 (expressed in thousands):

Security Type	Investment Amount	Level Amounts		
		1	2	3
Primary Government:				
Money Market/Mutual Funds	\$ 350,902	\$ 350,902	\$ —	\$ —
Corporate Bonds	8,763	—	8,763	—
U.S. Government & Agency Obligations	93,061	—	93,061	—
Total Primary Government	452,726	350,902	101,824	—
Pension & Private Purpose Trust Funds:				
Money Market/Mutual Funds	2,995,291	2,995,291	—	—
Guaranteed Investment Contract	552,688	—	552,688	—
Total Pension & Private Purpose Trust Funds	3,547,979	2,995,291	552,688	—
Component Units:				
Common and Preferred Stocks	70,447	70,274	173	—
Corporate Bonds	35,289	9,752	25,537	—
Corporate Stock	2,920	2,920	—	—
Fixed Income Fund	11,678	1,902	9,776	—
Money Market/Mutual Funds	463,422	442,602	20,306	514
Mortgages Held for Investment	14,275	—	—	14,275
Other Investments	257,255	150,546	96,825	9,884
Repurchase Agreements*	5,804	5,804	—	—
State & Local Government Securities	267	—	267	—
U.S. Government & Agency Obligations	292,670	234,557	58,113	—
Total Component Units	1,154,027	918,357	210,997	24,673
Outside Investments @ Fair Value	5,154,732	\$ 4,264,550	\$ 865,509	\$ 24,673
FV Investments @ Net Asset Value	269,325			
Total Outside Investments	\$ 5,424,057			

Underlying Securities:

*Component Units

The \$5,804 is invested in U.S. Government National Mortgage Association Securities.

Reconciliation to Financial Statements

The following schedule reconciles the amount disclosed as deposits and investments included in this footnote to cash and cash equivalents, investments, and restricted cash and investments in the Statement of Net Position at June 30, 2023 (expressed in thousands):

Deposits:

Cash and Cash Equivalents as Reported on the Statement of Net Position	\$	11,490,013
Cash and Cash Equivalents as Reported on the Statement of Fiduciary Net Position		1,223,238
Add:		
Restricted Cash and Cash Equivalents as Reported on the Statement of Net Position		1,096,652
Less:		
Cash Equivalents and Restricted Cash Disclosed as Investments		(12,914,118)
Cash with U.S. Treasury for Unemployment Programs		(419,871)
Reported Value of Deposits as Disclosed in this Footnote	\$	<u>475,914</u>

Investments:

Investments as Reported on the Statement of Net Position	\$	2,319,782
Investments as Reported on the Statement of Fiduciary Net Position		24,902,012
Add:		
Restricted Investments as Reported on the Statement of Net Position		211,280
Cash Equivalents and Restricted Cash Disclosed as Investments		12,914,118
Mortgages Held for Investment Disclosed as Investments		14,275
Accrued Interest Disclosed as Investments		<u>239,765</u>
Reported Value of Investments as Disclosed in this Footnote	\$	<u>40,601,232</u>

NOTE 5

RECEIVABLES

(Expressed in Thousands)

Receivables at June 30, 2023, consisted of the following:

	Governmental Funds				
	General	Transportation	Tobacco Settlement Finance Authority	Other Governmental	Total Governmental Receivables
Taxes	\$ 630,476	\$ 88,817	\$ —	\$ —	\$ 719,293
Accounts	583,578	154,358	26,850	11,718	776,504
Loans	10,591	—	—	—	10,591
Accrued Interest	30,180	—	232	9,052	39,464
Total Receivables	1,254,825	243,175	27,082	20,770	1,545,852
Allowance for doubtful accounts	(380,298)	—	—	(8,473)	(388,771)
Receivables, net	\$ 874,527	\$ 243,175	\$ 27,082	\$ 12,297	\$ 1,157,081
As reported on the financial statements					
Current receivables	\$ 874,527	\$ 243,175	\$ 27,082	\$ 12,297	1,157,081
Noncurrent receivables	—	—	—	—	—
Total receivables (net)	\$ 874,527	\$ 243,175	\$ 27,082	\$ 12,297	\$ 1,157,081

	Fiduciary Funds		
	Pension and Other Benefit Trust Funds	SMART 529	Custodial Funds
Accounts	\$ 5,424	\$ —	\$ —
Loans	1,036	—	—
Leases	—	—	—
Contributions	30,419	6,907	—
Accrued Interest	—	—	717
Public Private Partnership	—	—	—
Other	—	—	—
Total Receivables	36,879	6,907	717
Allowance for Doubtful Accounts	(548)	—	—
Receivables, Net	\$ 36,331	\$ 6,907	\$ 717
As reported on the Fund/Component Units Financial Statements:			
Current Receivables, Net	\$ 36,331	\$ 6,907	\$ 717
Noncurrent Receivables, Net	—	—	—
Total Receivables, Net	\$ 36,331	\$ 6,907	\$ 717

Enterprise Fund

Water Pollution Control Revolving Fund	Workers' Compensation	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council	Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise	Total Enterprise	Internal Service Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
547	353	27,718	16	47,234	4,733	1,114	81,715	11,250
675,715	—	—	550,626	—	—	168,298	1,394,639	—
—	—	—	1,124	—	—	81	1,205	27
676,262	353	27,718	551,766	47,234	4,733	169,493	1,477,559	11,277
—	—	—	—	(102)	—	—	(102)	—
<u>\$ 676,262</u>	<u>\$ 353</u>	<u>\$ 27,718</u>	<u>\$ 551,766</u>	<u>\$ 47,132</u>	<u>\$ 4,733</u>	<u>\$ 169,493</u>	<u>\$ 1,477,457</u>	<u>\$ 11,277</u>
\$ 37,727	\$ 353	\$ 27,718	\$ 26,618	\$ 47,132	\$ 4,733	\$ 10,472	\$ 154,753	\$ 11,277
638,535	—	—	525,148	—	—	159,021	1,322,704	—
<u>\$ 676,262</u>	<u>\$ 353</u>	<u>\$ 27,718</u>	<u>\$ 551,766</u>	<u>\$ 47,132</u>	<u>\$ 4,733</u>	<u>\$ 169,493</u>	<u>\$ 1,477,457</u>	<u>\$ 11,277</u>

Discretely Presented Component Units

West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority	Water Development Authority	Higher Education	Division of Corrections & Rehabilitation	School Building Authority	Other Component Units	Total Discretely Presented Component Units
\$ 35,241	\$ —	\$ 861,490	\$ 9,544	\$ —	\$ 246,900	\$ 10,881	\$ —	\$ 1,629	\$ 1,165,685
—	168,525	122,050	—	152,255	40,251	—	—	871	483,952
—	34,325	—	—	—	—	—	—	1,506	35,831
—	10	—	—	—	—	—	—	—	10
—	5,051	1,216	501	2,454	—	—	49	3	9,274
—	—	—	18,282	—	126	—	—	—	18,408
—	—	—	—	—	—	—	—	—	—
35,241	207,911	984,756	28,327	154,709	287,277	10,881	49	4,009	1,713,160
—	(37,062)	(124,685)	—	—	(38,671)	—	—	—	(200,418)
<u>\$ 35,241</u>	<u>\$ 170,849</u>	<u>\$ 860,071</u>	<u>\$ 28,327</u>	<u>\$ 154,709</u>	<u>\$ 248,606</u>	<u>\$ 10,881</u>	<u>\$ 49</u>	<u>\$ 4,009</u>	<u>\$ 1,512,742</u>
\$ 35,241	\$ 20,438	\$ 5,295	\$ 28,327	\$ 17,602	\$ 224,842	\$ 10,881	\$ 49	\$ 1,971	\$ 344,646
—	150,411	854,776	—	137,107	23,764	—	—	2,038	1,168,096
<u>\$ 35,241</u>	<u>\$ 170,849</u>	<u>\$ 860,071</u>	<u>\$ 28,327</u>	<u>\$ 154,709</u>	<u>\$ 248,606</u>	<u>\$ 10,881</u>	<u>\$ 49</u>	<u>\$ 4,009</u>	<u>\$ 1,512,742</u>

Taxes Receivable

Taxes receivable at June 30, 2023, consisted of the following:

	Governmental Funds		Total
	General	Transportation	
Taxes Receivable:			
Consumer Sales & Use	\$ 150,504	\$ —	\$ 150,504
Personal Income	220,160	—	220,160
Severance	47,226	—	47,226
Business & Occupation	9,035	—	9,035
Automobile Privilege Taxes	—	28,911	28,911
Gasoline Excise	—	59,531	59,531
Insurance	44,412	—	44,412
Corporate Net Income	107,529	—	107,529
Medicaid	39,078	—	39,078
Other	12,532	375	12,907
Subtotal for Taxes Receivable	<u>630,476</u>	<u>88,817</u>	<u>719,293</u>
Refunds Allowance	(29,855)	—	(29,855)
Total	<u>\$ 600,621</u>	<u>\$ 88,817</u>	<u>\$ 689,438</u>

Leases Receivable

The Economic Development Authority (EDA) and the Educational Broadcast Authority have both entered into long-term direct financing lease agreements with commercial entities for land, buildings, and equipment. A schedule of future lease amounts due is as follows:

Year Ending June 30	Direct Financing Leases Amount Due
2024	\$ 5,878
2025	4,908
2026	4,853
2027	4,719
2028	3,943
2029-2044	<u>15,865</u>
Total Minimum Amount Due	40,166
Less Amount Representing Interest	<u>(5,841)</u>
Present Value of Minimum Lease Amount Due	<u>\$ 34,325</u>

NOTE 6**PRIVATE PUBLIC PARTNERSHIPS**

During the fiscal year ended June 30, 2023, the Parkways Authority (transferor) entered into a lease and operation agreement with Areas USA WVTP, LLC (operator). The agreement was determined to be a PPP and has four separate PPP components. The PPP arrangement began on February 1, 2023, and ends on December 31, 2037. The PPP arrangement provides for a guaranteed base rent which is increased over the term of the contract. Guaranteed monthly installment payments range from \$6,000 to \$120,000. Variable payments are based on the percentage of sales for food, beverages, and retail and are only received if the percentage-based rent exceeds the guaranteed-base rent. Since the variable payments are not fixed in substance, such payments are excluded as a component of the PPP receivable. The Parkways Authority has determined the net present value of PPP receipts based on an estimated interest rate of 6.5% based on market conditions at the commencement of the PPP arrangement.

Under the PPP arrangement, the operation has committed to invest in improvements to three of the PPP assets owned by the Parkways Authority. As of June 30, 2023 construction is currently in progress to improve two travel plazas. Construction is expected to commence on the third travel plaza in fiscal year 2025. At the end of the PPP arrangement, the Parkways Authority will retain ownership of all travel plazas and improvements.

At June 30, 2023, the Parkways Authority's total PPP receivable and deferred inflows of resources related to the PPP was \$18,282,000 and \$17,771,000 respectively. For the year ended June 30, 2023 the Parkways Authority recognized PPP revenue of \$511,000, which is included in other revenues on the statement of revenues., expenses, and changes in net position. Interest income related to the PPP totaled \$591,000 for the year ended June 30, 2023. Variable payments not included as a component of the PPP receivable were \$52,000 for the year ended June 30, 2023.

West Virginia University has one contract for services that meets the four criteria of a service concession arrangement (SCA) per GASB Statement No. 94. This contract is with ACC OP (College Park, WV) LLC. Per the contract, ACC OP financed, designed, constructed, furnished, and equipped a student housing facility. This facility was completed the fall of 2014. The agreement will be in place for 40 years with the option to extend the agreement for two additional 10-year terms, at which time the facility will be returned to the University. The agreement stipulates that the ACC OP will retain all rents collected at the facility and will provide a percentage of net revenue annually to WVU. Per the operating agreement, WVU will provide certain services including marketing, lease management, billing, collections, security, parking enforcement and other services, and will receive a management fee for providing such services.

During fiscal year 2015, WVU recorded a capital asset with a fair market value of \$34.9 million and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). WVU has recorded an accounts receivable of \$126,000 at June 30, 2023. At June 30, 2023, WVU recognized management fee revenue and its share of the net revenue of \$96,000.

NOTE 7

INTERFUND BALANCES AND DUE TO/DUE FROM COMPONENT UNITS

The following table details the interfund balances and due to/due from component units activity as of and for the year ended June 30, 2023 (expressed in thousands):

Due To	Due From				
	Governmental			Proprietary	
	General	Transportation	Other Nonmajor	Water Pollution Control Revolving Fund	West Virginia Infrastructure and Jobs Development Council
Governmental Funds:					
General	\$ —	\$ 251	\$ 92	\$ —	\$ —
Transportation	301	—	—	—	—
Other Nonmajor Governmental	—	—	—	—	—
Total Governmental Funds	301	251	92	—	—
Proprietary Funds:					
Unemployment Compensation	120	23	10	—	—
Public Employees Insurance Agency	31	190	—	—	—
Board of Risk and Insurance Management	—	—	—	—	—
Internal Service Funds	13,590	1,055	411	—	—
Total Proprietary Funds	13,741	1,268	421	—	—
Fiduciary Funds:					
Pension and Other Employee Benefit Trust Funds	73	69	6	—	—
Custodial Funds	—	130	—	—	—
Total Fiduciary Funds	73	199	6	—	—
Discretely Presented Component Units					
Major:					
West Virginia Lottery	—	—	—	—	—
Economic Development Authority	—	—	—	—	—
Parkways Authority	—	5,575	—	—	—
Water Development Authority	—	—	—	74	293
Higher Education	18,246	71	14	—	—
Corrections and Rehabilitation	—	134	—	—	—
Nonmajor:					
Educational Broadcasting Authority	3,569	—	—	—	—
WV Division of Multimodal Facilities Transportation	—	569	—	—	—
Total Discretely Presented Component Units	21,815	6,349	14	74	293
Total	\$ 35,930	\$ 8,067	\$ 533	\$ 74	\$ 293

(a) Due from discretely presented component units includes \$229 million from the Lottery. The General Fund received \$193.5 million to be appropriated at a later date. The Legislature also approved the following distributions from the Lottery to the Senior Services (\$19.3 million), Library Commission (\$4.2 million), Department of Education – Public Education (\$5.2 million), Tourism (\$2.5 million), and various other general purposes.

Due From						
Proprietary				Pension and Other Employee Benefit Trust Funds	Total	Discretely Presented Component Units
Public Employees Insurance Agency	Board of Risk and Insurance Management	Other Nonmajor Enterprise	Internal Service Funds			
\$ 602	\$ 35	\$ —	\$ 29	\$ 71	\$ 1,080	\$ 247,699
1	3	—	—	—	305	9,292
59	—	—	—	3	62	1,055
<u>662</u>	<u>38</u>	<u>—</u>	<u>29</u>	<u>74</u>	<u>1,447</u>	<u>258,046</u> (a)
—	—	4	—	—	157	145
—	—	—	—	7,908	8,129	8,093
—	—	—	—	—	—	59
367	—	—	93	41	15,557	39
<u>367</u>	<u>—</u>	<u>4</u>	<u>93</u>	<u>7,949</u>	<u>23,843</u>	<u>8,336</u>
—	—	1	—	—	149	817
—	—	—	—	—	130	—
—	—	1	—	—	279	817
1	—	—	—	—	1	13
—	—	—	—	—	—	642
—	—	—	—	—	5,575	—
—	—	91	—	—	458	—
215	17	—	—	—	18,563	4,455
60	—	—	—	—	194	—
—	—	—	—	—	3,569	—
6	—	—	2	—	577	—
<u>282</u>	<u>17</u>	<u>91</u>	<u>2</u>	<u>—</u>	<u>28,937</u>	<u>5,110</u>
<u>\$ 1,311</u>	<u>\$ 55</u>	<u>\$ 96</u>	<u>\$ 124</u>	<u>\$ 8,023</u>	<u>\$ 54,506</u>	<u>\$ 272,309</u>

NOTE 8

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023, consisted of the following (expressed in thousands):

	Transfers From		
	Governmental		
Transfers To	General	Tobacco Settlement Finance Authority	Other Nonmajor
Governmental Funds:			
General	\$ —	\$ 19,228 ^(a)	\$ 12,291
Transportation	—	—	—
Other Nonmajor Governmental	88,849 ^(b)	—	—
Total Governmental Funds	88,849	19,228	12,291
Proprietary Funds:			
Water Pollution Control Revolving Fund	6,382	—	25,031 ^(c)
West Virginia Infrastructure and Jobs Development Council	—	—	20,000
Public Employees Insurance Agency	52,000 ^(d)	—	—
Other Nonmajor Proprietary	17,974	—	—
Internal Service Funds	35,583	—	—
Total Proprietary Funds	111,939	—	45,031
Total	\$ 200,788	\$ 19,228	\$ 57,322

(a) The deferred charge of the amortization of the future tobacco settlement revenue of the Tobacco Settlement Finance Authority resulted in a transfer of \$19.2 million to the General Fund.

(b) The General Fund transferred \$22 million to the West Virginia Infrastructure and Jobs Development Council, \$19 million to the Economic Development Project Fund for bond debt service, 14.7 million to the Department of Corrections and Rehabilitation for bond debt service, 22 million to the Department of Environment Protection for bond debt service, and 6 million for Division of Natural Resources for bond debt service.

(c) The Water Pollution Revolving Fund received \$31.4 million in grants from the West Virginia Department of Environmental Protection. All other transfers are made to finance various programs to the Legislation.

(d) PEIA received a \$52 million State Appropriation from the General Fund.

(e) Alcohol Beverage Control Administration transferred \$33 million that are statutory transfers based on operations and liquor license renewals.

Transfers From				
Proprietary				
Workers' Compensation Fund	West Virginia Infrastructure and Jobs Development Council	Other Nonmajor Enterprise	Internal Service Funds	Total
\$ —	\$ —	\$ 33,245 (e)	\$ —	\$ 64,764
—	—	—	—	—
—	—	—	4,299	93,148
—	—	33,245	4,299	157,912
—	—	—	—	31,413
5,000	—	—	—	25,000
—	—	—	—	52,000
—	3,221	—	—	21,195
—	—	—	—	35,583
5,000	3,221	—	—	165,191
<u>\$ 5,000</u>	<u>\$ 3,221</u>	<u>\$ 33,245</u>	<u>\$ 4,299</u>	<u>\$ 323,103</u>



NOTE 9**RESTRICTED ASSETS**

Restricted assets are held by special revenue funds, enterprise funds, internal service funds, and discretely presented component units, primarily for the repayment of future long-term obligations and benefits payments. The restricted assets, composed of cash, investments, and other similar assets at June 30, 2023, are as follows (expressed in thousands):

	Cash	Investments	Other	Totals
Special Revenue:				
Environmental Programs	\$ 250	\$ —	\$ —	\$ 250
Public Service Commission	1,671	—	—	1,671
Total Special Revenue	1,921	—	—	1,921
Debt Service:				
Infrastructure and Jobs Development	164			164
Total Debt Service	164			164
Enterprise:				
Public Employees Insurance Agency	372	3,793	—	4,165
Board of Risk and Insurance Management	5,447	29,754	237,182	272,383
Infrastructure and Jobs Development	160,046			160,046
Alcohol Beverage Control Administration	—	—	1,572	1,572
Total Enterprise	165,865	33,547	238,754	438,166
Internal Service:				
State Building Fund	23,319	—	—	23,319
Travel Management	2,097	—	—	2,097
Total Internal Services	25,416	—	—	25,416
Discretely Presented Component Units:				
Economic Development Authority	25,044	—	—	25,044
Housing Development Authority	222,559	63,345	750,483	1,036,387
Parkways Authority	158,656	114,388	—	273,044
Water Development Authority	447,171	—	130,751	577,922
Corrections and Rehabilitation	27,964	—	—	27,964
Solid Waste Management Board	3,983	—	871	4,854
Educational Broadcasting Authority	510	—	330	840
Racing Commission	17,399	—	348	17,747
Total Discretely Presented Component Units	903,286	177,733	882,783	1,963,802
Total Restricted Assets	\$ 1,096,652	\$ 211,280	\$ 1,121,537	\$ 2,429,469

Special Revenue Funds

Environmental Protection has restricted cash held in trust “to protect human health and the environment, in accordance with the terms of the State and Federal Consent Decrees...” The Public Service Commission (PSC) has restricted cash held in trust in accordance with PSC General Order 250-T. The funds are for Telecommunications Relay Services under the Americans with Disabilities Act.

Enterprise Funds

The Public Employees' Insurance Agency's restricted assets are the premium stabilization fund consisting of accumulated dividends and interest on optional life insurance policies to defray future premium increases. The Board of Risk and Insurance Management's (BRIM) cash and investment assets include funds to provide mine subsidence coverage to the general public. BRIM's other restricted assets include advance deposits with insurance companies of \$235.6 million and \$1.5 million in receivables. The Infrastructure and Jobs Development Council's assets are restricted for bond indentures and enabling Legislation. The Alcohol Beverage Control Administration's assets are restricted through enabling legislation that consists of notes and interest receivable from the Retail Liquor License Board re-bid, which are required by state code to be distributed to the State of West Virginia.

Internal Service Funds

The State Building Fund's restricted assets are held in trust primarily for the costs of asbestos removal and other capital projects. Travel Management Fund's restricted assets are held in escrow for capital outlay.

Discretely Presented Component Units

The Economic Development Authority's assets are restricted to provide assurance that adequate amounts will be available to repay notes secured by the real estate being leased and to guarantee portions of certain loans made for economic development purposes. The Housing Development Fund's cash and cash equivalents assets are restricted on behalf of mortgagors and for payments collected on mortgages for which the fund acts as service only. The investments are primarily United States government and agency obligations, investment agreements, and certificates of deposit with maturities greater than 90 days to meet the requirements of bond resolutions. Other restricted assets for the Housing Development Fund of \$750 million include certain foreclosed properties, properties developed for flood activities, other land for restricted housing purposes, and miscellaneous receivables. These assets are restricted subject to the provisions of bond resolutions, or state or federal regulations. The Parkways Authority's assets, restricted by the Tri-Party Agreement dated December 1988, can only be used for turnpike maintenance and operation, and debt service. These assets are restricted for Turnpike capital costs, renewal and replacement costs, operation and maintenance expenses, and debt service. The cash and investment assets of the Water Development Authority are restricted as part of applicable bond covenants and the other restricted assets are \$131 million restricted for revenue bonds receivable net of unamortized discount. The WV Division of Corrections and Rehabilitation's assets are restricted because of a safekeeping arrangement with inmates and for debt service and compliance with bond covenants. The Solid Waste Management Board's assets are restricted because their use is limited by applicable repayment agreements and certain assets are set aside to administer a revolving loan program in accordance with appropriations by the Legislature. The Educational Broadcasting Authority's (EBA) other restricted assets are in a charitable trust allowing the use of part of the interest to benefit the EBA. The West Virginia Racing Commission's cash is restricted for unclaimed winning tickets and other trust holdings which are mandated by West Virginia Code.

NOTE 10
CAPITAL ASSETS
Governmental Activities
(Expressed in Thousands)

	Beginning Balance July 1, 2022, as restated	Increases	Decreases	Ending Balance June 30, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,487,562	\$ 32,276	\$ (23)	\$ 1,519,815
Construction-in-Progress	2,299,256	755,334	(652,781)	2,401,809
Intangibles	2,752	—	—	2,752
Total Capital Assets, Not Being Depreciated	<u>3,789,570</u>	<u>787,610</u>	<u>(652,804)</u>	<u>3,924,376</u>
Capital Assets, Being Depreciated/Amortized:				
Building and Improvements	1,705,528	139,321	(563)	1,844,286
Right-to-Use Asset - Buildings	123,181	28,362	(17,294)	134,249
Equipment	596,935	48,230	(16,155)	629,010
Infrastructure	13,543,004	521,345	—	14,064,349
Library Holdings	17,800	387	(56)	18,131
Land Improvements	51,124	913	(23)	52,014
Intangibles	181,887	406	(51)	182,242
Subscription Asset-SBITA	20,836	—	—	20,836
Total Capital Assets, Being Depreciated	<u>16,240,295</u>	<u>738,964</u>	<u>(34,142)</u>	<u>16,945,117</u>
Less Accumulated Depreciation/Amortization for:				
Building and Improvements	(775,499)	(45,247)	219	(820,527)
Right-to-Use Asset - Buildings	(25,147)	(18,332)	9,815	(33,664)
Equipment	(442,363)	(34,542)	15,799	(461,106)
Infrastructure	(8,091,194)	(301,038)	—	(8,392,232)
Library Holdings	(17,059)	(364)	53	(17,370)
Land Improvements	(30,039)	(2,280)	23	(32,296)
Intangibles	(97,635)	(9,546)	53	(107,128)
Subscription Asset-SBITA	—	(4,484)	—	(4,484)
Total Accumulated Depreciation/Amortization	<u>(9,478,936)</u>	<u>(415,833)</u>	<u>25,962</u>	<u>(9,868,807)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,761,359</u>	<u>323,131</u>	<u>(8,180)</u>	<u>7,076,310</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,550,929</u>	<u>\$ 1,110,741</u>	<u>\$ (660,984)</u>	<u>\$ 11,000,686</u>
Depreciation/Amortization expense was charged to function as follows:				
Legislative	\$ 132			
Judicial	1,380			
Executive	4,293			
Administration	32,990			
Commerce	37			
Tourism	33			
Economic Development	11,820			
Environmental Protection	1,208			
Employment Programs	61			
Education	1,162			
Arts, Culture & History	1,924			
Senior Services	162			
Health and Human Resources	15,227			
Military Affairs and Public Safety	6,637			
Revenue	1,165			
Transportation	319,820			
Veterans Assistance	120			
Regulatory Boards and Commissions	17,662			
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 415,833</u>			

Business-type Activities
(Expressed in Thousands)

	Beginning Balance July 1, 2022	Increases	Decreases	Ending Balance June 30, 2023
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 611	\$ —	\$ —	\$ 611
Total Capital Assets, Not Being Depreciated	611	—	—	611
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,418	14	—	3,432
Equipment	3,180	117	(72)	3,225
Intangibles	9,026	—	—	9,026
Total Capital Assets, Being Depreciated	15,624	131	(72)	15,683
Less Accumulated Depreciation for:				
Building and Improvements	(1,692)	(172)	—	(1,864)
Equipment	(3,087)	(73)	72	(3,088)
Intangibles	(8,815)	—	—	(8,815)
Total Accumulated Depreciation	(13,594)	(245)	72	(13,767)
Total Capital Assets, Being Depreciated, Net	2,030	(114)	—	1,916
Business-type Activities Capital Assets, Net	<u>\$ 2,641</u>	<u>\$ (114)</u>	<u>\$ —</u>	<u>\$ 2,527</u>
Depreciation expense was charged to function as follows:				
Public Employees Insurance Agency	\$ 12			
Alcohol Beverage Control Administration	233			
Total Business-type Activities Depreciation Expense	<u>\$ 245</u>			

Discretely Presented Component Units
(Expressed in Thousands)

	Beginning Balance July 1, 2022, as Restated	Increases	Decreases	Ending Balance June 30, 2023
Discretely Presented Component Units:				
Capital Assets, Not Being Depreciated:				
Land	\$ 271,110	\$ 7,106	\$ (10,216)	\$ 268,000
Construction-in-Progress	266,998	89,397	(267,637)	88,758
Total Capital Assets, Not Being Depreciated	<u>538,108</u>	<u>96,503</u>	<u>(277,853)</u>	<u>356,758</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	4,507,836	171,308	(15,434)	4,663,710
Right-to-Use Asset - Buildings	56,427	10,520	(5,839)	61,108
Equipment	614,929	65,592	(25,742)	654,779
Right-to-Use Asset - Equipment	4,967	150	(334)	4,783
Infrastructure	1,845,000	196,702	(43,357)	1,998,345
Library Holdings	216,261	3,176	(217)	219,220
Land Improvements	116,132	1,597	—	117,729
Right-to-Use Asset - Leased Land	150	—	—	150
Intangibles	317,438	39,457	(1,280)	355,615
Right-to-Use Asset - Intangibles	67	—	—	67
Subscription Asset-SBITA	45,140	22,789	(3,704)	64,225
Total Capital Assets, Being Depreciated	<u>7,724,347</u>	<u>511,291</u>	<u>(95,907)</u>	<u>8,139,731</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,582,314)	(138,735)	16,702	(1,704,347)
Right-to-Use Asset - Buildings	(12,546)	(7,666)	3,684	(16,528)
Equipment	(479,278)	(2,229)	25,203	(456,304)
Right-to-Use Asset - Equipment	(1,020)	(422)	28	(1,414)
Infrastructure	(1,265,639)	(63,955)	7,458	(1,322,136)
Library Holdings	(198,860)	(4,782)	164	(203,478)
Land Improvements	(82,318)	(4,883)	—	(87,201)
Right-to-Use Asset - Leased Land	(30)	(16)	—	(46)
Intangibles	(246,558)	(43,808)	16	(290,350)
Right-to-Use Asset - Intangibles	(24)	(23)	—	(47)
Subscription Asset-SBITA	(12,652)	(18,552)	3,330	(27,874)
Total Accumulated Depreciation	<u>(3,881,239)</u>	<u>(285,071)</u>	<u>56,585</u>	<u>(4,109,725)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,843,108</u>	<u>226,220</u>	<u>(39,322)</u>	<u>4,030,006</u>
Discrete Component Unit Activities Capital Assets, Net	<u>\$ 4,381,216</u>	<u>\$ 322,723</u>	<u>\$ (317,175)</u>	<u>\$ 4,386,764</u>
Depreciation/Amortization expense charged to functions as follows:				
Economic Development Authority	\$ 92			
Housing Development Fund	269			
Parkways Authority	56,927			
Water Development Authority	167			
Higher Education	191,690			
Corrections and Rehabilitation	30,329			
Lottery	1,686			
School Building Authority	39			
Other Nonmajor Component Units	3,872			
Total Discrete Component Unit Depreciation Expense	<u>\$ 285,071</u>			



NOTE 11 LONG TERM OBLIGATIONS

Primary Government:

Long-term obligations at June 30, 2023, and changes for the fiscal year then ended, are as follows (expressed in thousands):

Governmental Activities:

	Balance June 30, 2022 as restated	Additions	Accretions	Reductions	Balance June 30, 2023	Amount Due Within One Year
General Obligation Bonds:						
Transportation	\$ 1,589,340	\$ —	\$ —	\$ (55,475)	\$ 1,533,865	\$ 61,020
Premium/(Discount)	287,950	—	—	(17,869)	270,081	17,869
Total Transportation	1,877,290	—	—	(73,344)	1,803,946	78,889
WV Infrastructure and Jobs						
Development Council	98,886	—	1,953	(19,655)	81,184	20,296
Premium/(Discount)	6,489	—	—	(1,520)	4,969	1,520
Total WV Infrastructure and Jobs Development Council	105,375	—	1,953	(21,175)	86,153	21,816
Total General Obligation Bonds	1,982,665	—	1,953	(94,519)	1,890,099	100,705
Revenue Bonds:						
Transportation	226,815	—	—	(20,920)	205,895	21,965
Premium/(Discount)	33,395	—	—	(4,482)	28,913	4,482
Total Transportation	260,210	—	—	(25,402)	234,808	26,447
Economic Development Project Fund	70,940	—	—	(14,680)	56,260	15,570
Premium/(Discount)	(140)	—	—	70	(70)	(70)
Total Economic Development Project Fund	70,800	—	—	(14,610)	56,190	15,500
Economic Development Project DNR	73,684	—	—	(2,790)	70,894	2,925
Premium/(Discount)	9,275	—	—	(575)	8,700	575
Total Economic Development DNR	82,959	—	—	(3,365)	79,594	3,500
Education, Arts, Sciences, & Tourism Fund	125,200	—	—	(4,615)	120,585	4,845
Premium/(Discount)	11,438	—	—	(635)	10,803	635
Tourism Fund	136,638	—	—	(5,250)	131,388	5,480
Total Revenue Bonds	550,607	—	—	(48,627)	501,980	50,927
Revenue Bonds:						
Direct Borrowings & Direct Placements Tobacco Settlement Finance Authority	753,014	—	12,329	(37,960)	727,383	18,320
Notes Payable	21,244	—	—	(10,467)	10,777	5,604
Total Direct Borrowings & Direct Placements	774,258	—	12,329	(48,427)	738,160	23,924
Other Financing Debt – Governmental	5,759	—	—	(360)	5,399	382
Other Financing Debt – Internal Service Fund	2,022	—	—	(104)	1,918	100
Other Financing Debt Payable to Component Units	171,740	—	—	(21,315)	150,425	16,578
Total Other Financing Debt	179,521	—	—	(21,779)	157,742	17,060
Other Obligations:						
Medicaid	530,823	28,034	—	(3,295)	555,562	555,562
Tax Refunds	397,529	420,232	—	(397,529)	420,232	321,563
Claims and Judgments (Note 17)	308,475	3,745	—	(37,280)	274,940	33,615
Other	184,382	236,277	—	(257,502)	163,157	80,018
Total Accrued and Other Liabilities	1,421,209	688,288	—	(695,606)	1,413,891	990,758
Compensated Absences	94,215	23,337	—	(18,647)	98,905	63,575
Right-to-Use Lease Liability (Note 12)	99,993	28,362	—	(24,478)	103,877	17,728
Subscription Liability-SBITA (Note 13)	18,958	—	—	(3,031)	15,927	3,921
Net Pension Liability, including ISF (Note 14)	1,468,673	1,096,690	—	—	2,565,363	—
Net OPEB Liability, including ISF (Note 15)	—	71,754	—	—	71,754	—
Total Other Obligations	3,103,048	1,908,431	—	(741,762)	4,269,717	1,075,982
Total Governmental Activities						
Long-Term Obligations	\$ 6,590,099	\$ 1,908,431	\$ 14,282	\$ (955,114)	\$ 7,557,698	\$ 1,268,598

Business-type Activities:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due Within One Year
Revenue Bonds					
WV Infrastructure and Jobs					
Development Council Revenue Bonds	\$ 139,305	\$ —	\$ (6,565)	\$ 132,740	\$ 6,850
Premium/(Discount)	12,260	—	(835)	11,425	835
<hr/>					
Total WV Infrastructure and Jobs Development Council Revenue Bonds	151,565	—	(7,400)	144,165	7,685
Other Obligations					
Insurance and Compensation Benefits	1,547,980	85,050	(92,301)	1,540,729	431,007
Compensated Absences	627	39	(2)	664	129
Net Pension Liability (Note 14)	—	716	—	716	—
Net OPEB Liability (Note 15)	—	166	—	166	—
Accrued and Other	12,349	1,990	(3,139)	11,200	11,200
<hr/>					
Total Business-type Activities Long Term	\$ 1,712,521	\$ 87,961	\$ (102,842)	\$ 1,697,640	\$ 450,021

The assets of the general, special revenue, and internal service funds are used to liquidate the other financing debt obligations and accrued and other liabilities of their respective fund types. Compensated absences liabilities are liquidated by the applicable governmental and internal service funds that account for the salaries and wages of the related employees, with the majority of the funds coming from the General Fund. The net pension liabilities are liquidated by the State’s governmental and internal service funds that contribute toward the pension funds based on plans established by the action of the State Legislature. The net pension liability and other postemployment benefits liability (OPEB) are adjusted each year based upon changes to participants, investment performance, contributions received and changes to actuarial assumptions. Please refer to Notes 14 and 15 for additional information related to the pension liability and OPEB. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At year-end, \$2.3 million of internal service funds’ compensated absences are included in the governmental amounts.

Senate Bill No. 1002, enacted in January 2005, provides that on and after February 1, 2005, bonds may not be issued or refunded by the State or any of its agencies, boards, or commissions without the express written direction of the governor if (1) the ultimate user of the proceeds of the bonds is the State or any of its agencies, boards, commissions, or departments or (2) the issuance or refunding of the bonds implicates the State’s credit rating.

Compliance – Various debt agreements governing the State’s bonds contain a number of covenants, including continuing disclosure requirements, debt service coverage ratio, and maintaining debt service reserve and maintenance reserve funds. It is required that debt service reserve funds and maintenance reserve funds are to be held with a trustee. As of June 30, 2023, the debt service reserve funds approximated \$36.4 million, and the maintenance reserve funds approximated \$11 million.

General Obligation Bonds – The State has constitutionally limited its ability to incur debt. The State’s general obligation debt must be authorized by constitutional amendment. A proposed amendment must be approved by two-thirds of both the Senate and the House of Delegates before it can be ratified or rejected by the voters. Once the amendment has voter

approval, the Legislature must pass specific legislation authorizing the issuance of general obligation debt, such as bonds for the facilitation of the construction of highways, secondary roads and bridges, as well as for utility upgrades for water and sewer systems. The general obligation bonds are secured by pledged receipts of annual tax revenue.

General obligation bonds outstanding at June 30, 2023, were as follows (expressed in thousands):

	Final Maturity Date	Interest Rate(s)%	Balance
Transportation Bonds:			
Payable from State Road Fund to build roads, issued under:			
1996 SAFE Roads Amendment	2025	4.00%-5.00%	\$ 48,110
2019 Roads to Prosperity Bonds	2043	2.00%-5.00%	792,596
2020 Roads to Prosperity Bonds	2044	2.00%-5.00%	707,050
2021 Roads to Prosperity Bonds	2045	2.00%-5.00%	256,190
Infrastructure Bonds:			
Payable from dedicated severance tax revenues to fund water, wastewater, and economic development projects	2027	2.00%-7.625%	86,153
Total			\$ 1,890,099

Future amounts required to pay principal and interest on general obligation bonds at June 30, 2023, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2024	\$ 72,085	\$ 77,065	\$ 149,150
2025	78,150	73,450	151,600
2026	58,885	69,673	128,558
2027	61,560	66,797	128,357
2028	51,605	63,999	115,604
2029-2033	299,860	278,168	578,028
2034-2038	383,640	194,371	578,011
2039-2043	490,570	87,443	578,013
2044-2048	84,685	5,303	89,988
Total	1,581,040	916,269	2,497,309
Premium	274,913	—	274,913
Total	\$ 1,855,953	\$ 916,269	\$ 2,772,222

Capital Appreciation Bonds

Year Ending June 30	Principal, Net of Accreted Amounts	Future Accreted Amounts	Total
2024	\$ 9,231	\$ 169	\$ 9,400
2025	8,743	657	9,400
2026	8,149	1,101	9,250
2027	8,023	1,564	9,587
Total	\$ 34,146	\$ 3,491	\$ 37,637
Total General Obligation Bonds	\$ 1,890,099		

Revenue Bonds – Revenue bonds are issued by various state departments, agencies and authorities, and economic development projects. Revenue bonds are issued pursuant to specific statutory provisions enacted by the Legislature primarily for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenues. Revenue bonds do not constitute a general obligation of the State.

Revenue bonds outstanding (including premium or discount) at June 30, 2023, were as follows (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s) %	Balance
Transportation	2019	2043	5.00	\$ 234,808
Economic Development Project Fund	2004	2027	1.20-6.07	56,190
Economic Development Project Fund DNR	2018	2038	1.20-6.07	24,120
Economic Development DNR Parks Projects	2019	2039	1.20-6.07	55,474
Education, Arts, Sciences, and Tourism Fund	2010/2018	2040	2.00-5.00	131,388
Subtotal Governmental				501,980
WV Infrastructure and Jobs Development Council	2006-2016	2046	2.00-5.00	144,165
Total Governmental and Business-Type Activities				\$ 646,145

Future amounts required to pay principal and interest on revenue bonds at June 30, 2023 were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2024	\$ 52,155	\$ 27,715	\$ 79,870
2025	54,915	24,926	79,841
2026	57,615	22,009	79,624
2027	48,730	19,970	68,700
2028	44,155	16,396	60,551
2029-2033	175,900	52,581	228,481
2034-2038	109,650	21,648	131,298
2039-2043	39,675	3,754	43,429
2044-2047	3,581	230	3,811
	586,376	189,229	775,605
Premium	59,769	—	59,769
Total	\$ 646,145	\$ 189,229	\$ 835,374

Certain revenue bonds have call provisions providing for redemption at the option of the State, beginning ten years following the date of issuance, in whole or in part, in inverse order of maturity, and pay a redemption price not exceeding 103% of par value.

The following describes the purpose and dedicated revenue source of revenue bonds outstanding at June 30, 2023:

Agency	Purpose	Revenue Source
Transportation	Highway, road, and bridge construction	Federal reimbursement allowed by Title 23, Section 122
Economic Development Project Fund	To provide grants for various economic development projects	Certain net profits of the West Virginia Lottery
Education, Arts, Sciences, and Tourism Fund	Capital projects which promote education, arts, sciences, and tourism	Certain net profits of the West Virginia Lottery
WV Infrastructure and Jobs Development Council	To fund water and sewer infrastructure projects	Certain repayments of defined loans

The Division of Highways

The Division of Highways has been authorized to issue revenue bonds in the amount of \$500 million by constitutional amendment. The Division has issued \$352 million, and paid off \$117 million, leaving \$265 million in bonds authorized but not issued. The revenue notes are secured by pledged receipts of eligible Federal Highway Administration (FHWA) funds received by the Division, representing reimbursement of the costs incurred in connection with the federal-aid projects financed by Surface Transportation Improvements Special Obligation Notes, GARVEE revenue notes.

Economic Development Project Fund

The Economic Development Project Fund bonds, issued by EDA in FY 2004 in the amount of \$249.9 million to provide financing for various economic development project grants, are payable through 2029. The State has committed to appropriate each year, from the West Virginia Lottery net profits, amounts sufficient to cover the principal and interest requirements on the EDA debt. EDA has pledged these revenues as the sole security for the bonds. Total principal and interest remaining on the debt is \$56 million with annual requirements ranging from \$19 million in FY 2023 to \$7.1 million in the final year. For the current year, principal and interest paid were \$18.5 million and the net profits of the Lottery committed to the debt were \$19 million.

Economic Development DNR

In FY 2018, the EDA issued bonds in conjunction with the Division of Natural Resources. These bonds are primarily payable from money transferred from the State Excess Lottery Revenue fund. The funds will be used to acquire land and build and maintain the newly created Cacapon Resort State Park. The initial bond of \$22.9 million was issued at 3.23% interest, and the maintenance reserve bond of \$2 million was issued at 2.03% interest. Both bonds mature in June 2040.

In FY 2019, the EDA issued \$55.2 million in bonds in conjunction with the Division of Natural Resources for state park projects. The funds will be used for capital improvement projects at any state park. The bonds are payable solely from the special revenue fund named the “State Parks Lottery Revenue Debt Service Fund” within the State Treasury. The bonds bear interest at 3.125% to 5.00% and are payable through 2040.

EAST Fund

New Education, Arts, Sciences, and Tourism Fund (EAST) bonds were issued by the EDA in FY 2018 in the amount of \$142.6 million to provide financing for capital projects which promote education and tourism, payable through 2040. The State has committed to appropriate each year, from the Lottery’s net profits, amounts sufficient to cover the principal and interest requirements on the EDA debt. EDA has pledged these revenues as the sole security for the bonds. Total principal and interest remaining on the debt is \$120.5 million. For the current year, principal and interest paid were \$9.9 million, and the net profits of the Lottery committed to the debt were \$10 million.

Direct Placements & Direct Borrowings

Revenue Bonds

The following describes the purpose and dedicated revenue source of direct placement revenue bonds outstanding at June 30, 2023:

<u>Agency</u>	<u>Purpose</u>	<u>Revenue Source</u>
Tobacco Settlement Finance Authority	To issue bonds to receive lump sum in lieu of future annual payments from MSA	100% of receipts from Tobacco MSA until bonds are paid

Tobacco Settlement Finance Authority (TSFA)

The Taxable Tobacco Settlement Asset-Backed Bonds, Series 2007 were issued by the TSFA created by Chapter 4, Article 11A of the West Virginia Code on June 26, 2007.

On October 28, 2020, the TSFA issued Taxable Tobacco Settlement Asset-Backed Refunding Bonds, Series 2020 Senior Bonds, consisting of \$528.3 million Series 2020A (Fixed Amortization Serial/Term Bonds) Class 1 Senior Current Interest Bonds as Class 1 Senior Bonds and \$165.2 million Series 2020B (Turbo Term Bonds) Class 2 Senior Current Bonds as Class 2 Senior Bonds. The TSFA used \$737.2 million of the proceeds of the Series 2020 Senior Bonds to fully refund \$612.3 million of the Taxable Tobacco Settlement Asset-Backed Bonds, Series 2007A through redemption and defeasance and partially refund \$73.9 million of the Series 2007B bonds through payment of the purchase price thereof and cancellation. The proceeds were also used to establish Maintenance Reserve Accounts to comply with the bond covenants and pay bond issuance costs. The 2020 refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded bond of \$51 million. The TSFA completed the refunding to reduce its total debt service payments by reducing the expected debt service payments by \$315.9 million.

Direct placement revenue bonds outstanding at June 30, 2023, were as follows (expressed in thousands):

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Tobacco Settlement Finance Authority	2007	2040	7.47-8.50	\$ 154,393
Tobacco Settlement Finance Authority	2020	2053	7.47-8.50	\$ 572,990
				<u>\$ 727,383</u>

Future amounts required to pay principal and interest on direct placement revenue bonds at June 30, 2023, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 18,320	\$ 21,239	\$ 39,559
2025	17,770	20,965	38,735
2026	17,815	20,673	38,488
2027	18,160	20,348	38,508
2028	18,440	19,981	38,421
2029-2033	90,625	92,744	183,369
2034-2038	89,160	78,299	167,459
2039-2043	93,640	59,565	153,205
2044-2048	88,215	40,333	128,548
2049-2051	120,845	5,791	126,636
	<u>\$ 572,990</u>	<u>\$ 379,938</u>	<u>\$ 952,928</u>

Capital Appreciation Bond

<u>Year Ending June 30</u>	<u>Principal, Net of Accreted Amounts</u>	<u>Future Accreted Amounts</u>	<u>Total</u>
2024	\$ —	\$ 13,411	\$ 13,411
2025	—	14,560	14,560
2026	—	15,836	15,836
2027	—	17,202	17,202
2028	—	18,704	18,704
2029-2033	—	120,844	120,844
2034-2038	—	183,229	183,229
2039-2043	—	277,821	277,821
2044-2048	154,393	322,425	476,818
Total	<u>\$ 154,393</u>	<u>\$ 984,032</u>	<u>\$ 1,138,425</u>

Total Revenue Bonds \$ 727,383

Notes Payable – Notes payable are a direct borrowing issued by Information Services and Communications and Travel Management internal service funds for financing various equipment and vehicles.

The outstanding notes from direct borrowings contain a provision that in an event of default, the note is terminated, and the owner may retake possession of the equipment and vehicles. The note is immediately declared due and payable and will proceed to court action to recover the value of the amount due.

Direct Borrowings	Final Maturity Date	Interest Rate(s)%	Balance
Travel Management	2018-2022	0.99-2.65	\$ 10,777
Total Notes Payable			<u>\$ 10,777</u>

Future amounts required to pay principal and interest on direct borrowings notes payable at June 30, 2023, were as follows (expressed in thousands):

Notes from Direct Borrowings			
Year Ending June 30	Principal	Interest	Total
2024	\$ 5,604	\$ 112	\$ 5,716
2025	3,888	50	3,938
2026	1,285	9	1,294
Total Notes Payable	<u>\$ 10,777</u>	<u>\$ 171</u>	<u>\$ 10,948</u>

**Discretely Presented Component Units
Summary of Discretely Presented
Component Unit Debt
(Expressed in Thousands)**

	Balance June 30, 2022 as restated	Additions/ Debt Issued	Reductions/ Debt Paid	Other Changes	Balance June 30, 2023	Amount Due Within One Year
Revenue Bonds:						
Housing Development Fund	\$ 285,870	\$ 134,953	\$ (19,900)	\$ (11,354)	\$ 389,569	\$ 21,915
Parkways Authority	573,187	—	(8,440)	(11,486)	553,261	8,865
Water Development Authority	136,747	—	(9,572)	—	127,175	9,932
Higher Education	1,375,828	56,500	(55,820)	—	1,376,508	51,831
School Building Authority	340,224	27,020	(16,585)	(17,058)	333,601	47,060
Total Discretely Presented						
Component Unit Revenue Bonds	<u>\$ 2,711,856</u>	<u>\$ 218,473</u>	<u>\$ (110,317)</u>	<u>\$ (39,898)</u>	<u>\$ 2,780,114</u>	<u>\$ 139,603</u>
Other Financing Debt						
Higher Education	<u>\$ 57,711</u>	<u>\$ 2,675</u>	<u>\$ (1,270)</u>	<u>\$ —</u>	<u>\$ 59,116</u>	<u>\$ 921</u>
Direct Borrowings & Direct Placements Revenue Bonds:						
Economic Development Authority	\$ 171,740	\$ —	\$ (21,315)	\$ —	\$ 150,425	\$ 16,578
Water Development Authority	6,519	—	(370)	—	6,149	382
Total Discretely Presented Component Units Direct Borrowings & Direct Placements Revenue Bonds	<u>\$ 178,259</u>	<u>\$ —</u>	<u>\$ (21,685)</u>	<u>\$ —</u>	<u>\$ 156,574</u>	<u>\$ 16,960</u>
Notes Payable:						
Housing Development Fund	\$ 536	\$ —	\$ (133)	\$ —	\$ 403	\$ —
Economic Development Authority	1,649	—	(370)	—	1,279	24
Correction and Rehabilitation	7,722	—	(1,111)	—	6,611	5,446
Water Development Authority	6,376	—	(6,376)	—	—	—
Higher Education	145,690	—	(2,400)	—	143,290	8,390
Total Discretely Presented Component Notes Payable	<u>\$ 161,973</u>	<u>\$ —</u>	<u>\$ (10,390)</u>	<u>\$ —</u>	<u>\$ 151,583</u>	<u>\$ 13,860</u>
Other Debt-Related Items:						
Accrued and Other	\$ 450,137	\$ 6,901	\$ (38,747)	\$ —	\$ 418,291	\$ 303,322
Compensated Absences	72,016	5,479	(2,762)	—	74,733	58,485
Right- to- Use Lease Liability (Note 12)	109,811	10,419	(11,430)	—	108,800	8,761
Subscription Liability-SBITA (Note 13)	29,514	19,198	(15,590)	—	33,122	15,130
Net Pension Liability (see Note 14)	4,682	19,025	(37)	—	23,670	—
Net OPEB Liability (see Note 15)	849	16,461	(333)	—	16,977	—
Total Discretely Presented Component Unit Other Items	<u>\$ 667,009</u>	<u>\$ 77,483</u>	<u>\$ (68,899)</u>	<u>\$ —</u>	<u>\$ 675,593</u>	<u>\$ 385,698</u>

Revenue Bonds – Revenue bonds are issued by various component units pursuant to specific statutory provisions enacted by the Legislature for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenue sources, such as tuition and registration fees, dedicated court fees, and certain non-toll revenues. Revenue bonds do not constitute general debt of the State (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
Housing Development Fund	2007-2019	2050	1.05-4.35	\$ 389,569
Parkways Authority	2002-2018	2048	3.75-5.25	553,261
Water Development Authority	2005-2016	2044	2.00-5.125	127,175
Higher Education	1998-2016	2045	0.58-7.65	1,376,508
School Building Authority	2007-2016	2032	2.00-6.92	333,601
Total Revenue Bonds				<u>\$ 2,780,114</u>

Future amounts required to pay principal and interest on revenue bonds of the discretely presented component units at June 30, 2023, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2024	\$ 138,891	\$ 98,982	\$ 237,873
2025	165,829	94,990	260,819
2026	121,973	90,822	212,795
2027	199,850	86,288	286,138
2028	131,001	87,430	218,431
2029-2033	625,788	330,251	956,039
2034-2038	447,565	216,098	663,663
2039-2043	413,088	125,009	538,097
2044-2048	286,794	49,300	336,094
2049-2053	100,806	8,380	109,186
2054-2057	556	13	569
	<u>\$ 2,632,141</u>	<u>\$ 1,187,563</u>	<u>\$ 3,819,704</u>
Discount	(673)	—	(673)
Premium	148,646	—	148,646
Total	<u>\$ 2,780,114</u>	<u>\$ 1,187,563</u>	<u>\$ 3,967,677</u>

Parkways Authority

In August 2018, the Authority issued \$166.4 million Series Lien Turnpike Toll Revenue Bonds at 3.75% to 5.00% due in varying installments from June 2019 to June 2048.

Direct Borrowing & Direct Placements

Revenue Bonds – Direct placement revenue bonds are issued by various component units listed below pursuant to specific statutory provisions enacted by the Legislature for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenue sources, such as mortgage loan repayments.

Revenue bonds do not constitute general debt of the State (expressed in thousands):

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Economic Development Authority	1999-2016	2040	2.07-5.23	\$ 150,425
Water Development Authority	2005-2016	2044	2.00-5.125	6,149
Total Revenue Bonds				<u>\$ 156,574</u>

Future amounts required to pay principal and interest on direct placement revenue bonds of the discretely presented component units at June 30, 2023, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,960	\$ 7,103	\$ 24,063
2025	17,710	6,231	23,941
2026	18,421	5,388	23,809
2027	19,031	4,513	23,544
2028	19,226	3,634	22,860
2029-2033	38,414	8,914	47,328
2034-2038	19,393	3,666	23,059
2039-2043	7,419	448	7,867
Total	<u>\$ 156,574</u>	<u>\$ 39,897</u>	<u>\$ 196,471</u>

Notes Payable – Direct Borrowings

Notes payable are issued for various reasons, including construction and the purchase of land, buildings, and vehicles. The Housing Development Fund (HDF) has a partnership with the DEP that allows HDF to borrow funds from the DEP that are then loaned to state residents to upgrade, replace, or repair inadequate septic systems. For detailed information on specific notes, see the separately issued financial statements of the discretely presented component units.

The following is a summary of notes payable at June 30, 2023 (expressed in thousands):

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Economic Development Authority	2007 & 2017	2029	3.00	\$ 1,279
Higher Education	2008-2014	2033	1.90-6.65	143,290
Housing Development Fund	2008-2014	N/A	0.00	403
Division of Corrections & Rehabilitation	2015	2020	1.23	6,611
Total Notes Payable				<u>\$ 151,583</u>

Future amounts required to pay principal and interest on direct borrowings notes payable of the discretely presented component units at June 30, 2023, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,984	\$ 4,079	\$ 14,063
2025	7,043	4,035	11,078
2026	7,262	3,704	10,966
2027	7,012	3,611	10,623
2028	6,490	3,408	9,898
2029-2033	48,469	14,650	63,119
2034-2038	20,958	9,973	30,931
2039-2043	15,276	7,124	22,400
2044-2048	11,396	4,870	16,266
2049-2053	8,403	3,062	11,465
2054-2058	9,290	983	10,273
Total	<u>\$ 151,583</u>	<u>\$ 59,499</u>	<u>\$ 211,082</u>

Other Financing-Conduit Debt

The State has also entered into lease/purchase agreements with the Economic Development Authority (EDA), which issued revenue bonds to finance construction and acquisition of various capital assets as well as an energy savings project. EDA has no obligation for the debt. The State becomes the tenant of the facility under a lease/purchase agreement, which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid. This other financing debt, totaling \$150 million, is shown separately on the government-wide Statement of Net Position as other financing debt payable to component units. Besides the other financing debt backed by leases with other State agencies, EDA also has revenue bond principal amounts payable outstanding of \$4.6 billion as of June 30, 2023.

Debt Contingencies and No-Commitment Debt

As a vehicle to assist the local and other nonstate governments in West Virginia, the State may appropriate sufficient amounts to meet any deficiencies that may arise because of failures by such entities to provide for debt service payments for obligations under the supervision and control of the Municipal Bond Commission. For the year ended June 30, 2023, no such amounts were transferred to the Municipal Bond Commission under this agreement.

The Hospital Finance Authority (HFA) and the Economic Development Authority (EDA) have issued special limited obligations on behalf of third parties that in no way obligate the State, HFA, or EDA for these debt issuances, unless these entities or the State serve in a third-party role. The obligations become an obligation of the third party when issued because all rights to payments and/or obligations have been irrevocably assigned to a trustee. Payments are made directly to the trustee from dedicated revenues of the third parties, in accordance with the related bond indentures. The amount of such no-commitment debt outstanding at June 30, 2023, is approximately \$3.1 billion and \$4.6 billion for HFA and EDA, respectively.

Prior Defeasances

In prior years, the State defeased certain revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payment on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At June 30, 2023, the following outstanding bonds are considered defeased (expressed in thousands):

Outstanding Amount	
Primary Government	\$ 681,760
Discretely Presented Component Units	58,705
Total	<u>\$ 740,465</u>

NOTE 12

RIGHT-TO-USE LEASES

Effective July 1, 2021, the State adopted GASB issued Statement No. 87 “Leases”. According to the standard, a contract that conveys control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction be considered a lease. All leases that meet the criteria under this standard entered into by the State prior to the date of implementation on July 1, 2021, are measured using the facts and circumstances that existed at the beginning of the period of implementation. The State is not required to estimate what the lease asset would have been if it initially had been recognized and amortized in prior periods as a lease under the provisions of Statement 87. The lease liability for leases previously entered into was measured using the remaining lease term and discount rate as of the beginning of the earliest period restated. The right-to-use asset was measured based on the lease liability at that date and no restatement of beginning net position is required because the lease asset and the liability would be the same.

The State leases various buildings, equipment, and land for various terms under long-term noncancelable lease agreements. The leases have various due dates ranging through fiscal year 2076 and interest rates ranging from 1.17% to 6.5%.

At the commencement of a new lease, the State initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the State determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The State uses an estimated incremental borrowing rate as the discount rate for leases unless the interest rate charged by the lessor is provided. The discount rate is used to determine the present value of lease payments over the lease term. The incremental borrowing rate for all State leases ranged from 1.17% to 6.5%.
- The lease term is the noncancellable period of the lease. This includes periods in which there is an option to extend or terminate the lease if it is reasonably certain that the option will or will not be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments. There are no purchase options in the measurement of the lease liability for any State leases.

The State monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. No such remeasurements occurred in the current year.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. For all leases, the State recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. Leasing arrangements with a cost greater than \$25,000 annually are recognized by the State as a right-to-use asset.

For leases in governmental funds, other financing sources equal to the present value of the expected payments over the lease term are recorded at lease inception. Lease payments are recorded as debt service expenditure when paid.

Several lease agreements entered into by component units of the State are sublease agreements for leased equipment and land with monthly installments ranging between \$185 and \$901 plus interest at 4.5% to 6.5% with due dates ranging from April 2024 to December 2042.

The following table is an analysis of the leases by major asset type at June 30, 2023, (expressed in thousands):

<u>Asset Type</u>	<u>Right-to-Use Leased Asset</u>	<u>Accumulated Amortization</u>	<u>Net Right-to-Use Asset</u>
Governmental Activities:			
Building	\$ 134,249	\$ (33,664)	\$ 100,585
Total Governmental Activities	134,249	(33,664)	100,585
Discretely Presented Component Units:			
Building	\$ 61,108	\$ (16,528)	\$ 44,580
Land	150	(46)	104
Equipment	4,783	(1,414)	3,369
Software	67	(47)	20
Total Discretely Presented Component Units	66,108	(18,035)	48,073
Total	\$ 200,357	\$ (51,699)	\$ 148,658

Future principal and interest lease payments as of June 30, 2023, were as follows (expressed in thousands):

Year Ending June 30	Governmental Activities		Discretely Presented Component Units		Total
	Principal	Interest	Principal	Interest	
2024	\$ 17,728	\$ 3,839	\$ 8,761	\$ 3,265	\$ 33,593
2025	15,362	3,167	7,065	2,980	28,574
2026	12,078	2,612	6,537	2,760	23,987
2027	9,474	2,178	5,503	2,564	19,719
2028	8,648	1,816	4,429	2,400	17,293
2029-2033	26,578	4,999	15,638	10,177	57,392
2034-2038	8,737	1,866	6,195	8,491	25,289
2039-2043	3,706	635	5,555	7,636	17,532
2044-2048	474	261	6,144	6,865	13,744
2049-2053	466	174	6,319	6,009	12,968
2054-2058	569	71	6,241	5,138	12,019
2059-2063	57	1	7,157	4,179	11,394
2064-2068	—	—	8,297	3,072	11,369
2069-2073	—	—	9,619	1,789	11,408
2074-2076	—	—	5,420	380	5,800
Lease Payments	\$ 103,877	\$ 21,619	\$ 108,880	\$ 67,705	\$ 302,081

Under GASB Statement No. 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources for each lease. There are no variable payments in any of the lessor agreements noted below.

During the fiscal year June 30 2023, the West Virginia Educational Broadcasting Authority (WVEBA), a component unit of the State, a lessor, leased land, equipment, and buildings under various noncancelable lease agreements. Several of these agreements are sublease arrangements. The lease agreements contain lease terms with planned end dates ranging from December 2023 to May 2047. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Certain leases provided for increases in future minimum annual rental payments. WVEBA has determined the net present value of lease receipts based on an estimated interest rate of 4.5%. Lease related income under these leases for the year ended June 30, 2023, was \$127 and \$62 for lease income and interest income, respectively.

The West Virginia Economic Development Authority, a component unit of the State, lease certain property to commercial entities under direct financing leases with planned end dates ranging from 2023 to 2044. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Under the terms of the direct financing leases, either the lessor or lessee may elect to adjust the basic rent as of each successive fifth anniversary date following the lease commencement date by an amount necessary to fully amortize the initial purchase price based on the prevailing interest rate on such anniversary date.

The West Virginia Higher Education Fund, a component unit of the State, leases facilities and land under various lease agreements. The lease agreements contain lease terms with planned end dates ranging from 2024 to 2042. Lease payment rates, terms, cancellation clauses and other provisions vary based on the lease agreement. Certain real estate leases provided for increases in future minimum monthly and annual rental payments. Lease-related income including interest under these leases for the year ended June 30, 2023, was \$1,041.

NOTE 13**SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Effective July 1, 2022, the State adopted GASB issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” According to the standard, a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction be considered a SBITA. All leases that meet the criteria under this standard entered into by the State prior to the date of implementation on July 1, 2022, are measured using the facts and circumstances that existed at the beginning of the period of implementation. The State is not required to estimate what the lease asset would have been if it initially had been recognized and amortized in prior periods as a lease under the provisions of Statement 96. The subscription liability for subscriptions previously entered into was measured using the remaining subscription term and discount rate as of the beginning of the earliest period restated, July 1, 2022. The right-to-use subscription asset was measured based on the subscription liability at that date and no restatement of beginning net position is required because the subscription asset and the liability would be the same.

The State has SBITAs for risk, ransomware monitoring, multi-biometric identification, electronic filing, property tracking, laboratory information management and healthcare for various terms under long-term, noncancelable lease agreements. The leases have various due dates ranging through fiscal year 2029 and interest rates ranging from 3% to 9.15%.

At the commencement of a new SBITA, the State initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The State had no variable payments (fixed in substance or based on an index or rate), residual value guarantees, or termination penalties included within the subscription liability of any State SBITAs. Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats, are not included in the measurement of the subscription liability and instead recognized as outflows of resources in the period in which the obligation for those payments is incurred. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. In the transition year of GASB 96, governments are permitted, but not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The State has elected to exclude any initial capitalizable outlays incurred prior to July 1, 2022, in the measurement of the subscription assets at July 1, 2022. There are no subscription payments made at or before the SBITA commencement or initial implementation costs included in the initial subscription asset measured for any State SBITAs. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the SBITA.

Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats are recognized as outflows of resources in the period in which

the obligation for those payments is incurred. The State had outflows of resources resulting in approximately \$16,506 of subscription cost for the year ended June 30, 2023. The majority of the cost is attributed to Google and Microsoft license contracts that are variable payments based on number of licenses.

Key estimates and judgments related to SBITAs include how the State determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- a. The State uses an estimated incremental borrowing rate as the discount rate for SBITAs unless the interest rate charged by the lessor is provided. The discount rate is used to determine the present value of subscription payments over the subscription term. The incremental borrowing rate for all State SBITAs ranged from 3% to 9.15%.
- b. The subscription term is the noncancellable period of the SBITA. This includes periods in which there is an option to extend or terminate the subscription if it is reasonably certain that the option will or will not be exercised.
- c. Subscription payments included in the measurement of the subscription liability are composed of fixed payments. There are no purchase options included in the measurement of the subscription liability for any State SBITAs.

The State monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. No such remeasurements occurred in the current year.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position. For all SBITAs, the State recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. SBITAs with a cost greater than \$25,000 (in dollars) annually are recognized by the State as a right-to-use subscription asset.

For SBITAs in governmental funds, other financing sources equal to the present value of the expected payments over the subscription term are recorded at SBITA inception. Subscription payments are recorded as debt service expenditure when paid.

The following table is an analysis of the SBITAs by major asset class at June 30, 2023 (expressed in thousands):

Asset Class	Subscription Asset	Accumulated Depreciation	Net Right-to-Use Asset
<i>Governmental Activities:</i>			
Subscription	\$ 20,836	\$ 4,484	\$ 16,352
Total	<u>20,836</u>	<u>4,484</u>	<u>16,352</u>
<i>Discretely Presented Component Units:</i>			
Subscription	64,225	27,874	36,351
Total	<u>64,225</u>	<u>27,874</u>	<u>36,351</u>
Totals	<u>\$ 85,061</u>	<u>\$ 32,334</u>	<u>\$ 52,703</u>

The future principal and interest lease payments as of June 30, 2023, were as follows:
(expressed in thousands):

Year Ending June 30:	<i>Governmental Activities</i>		<i>Discretely Presented Component Units</i>		Total
	Principal	Interest	Principal	Interest	
2024	\$ 3,921	\$ 448	\$ 15,130	\$ 1,363	\$ 20,860
2025	3,713	325	9,915	710	14,663
2026	3,348	211	4,969	297	8,825
2027	2,963	108	2,659	113	5,843
2028	1,827	35	161	11	2,034
2029-2033	155	1	288	18	464
Totals	<u>\$ 15,927</u>	<u>\$ 1,128</u>	<u>\$ 33,122</u>	<u>\$ 2,512</u>	<u>\$ 52,689</u>

NOTE 14

RETIREMENT SYSTEMS

Plan Description

The West Virginia State Legislature has established nine defined benefit plans (the Plans) and a defined contribution plan to provide retirement benefits for eligible employees. The Plans are a group of defined benefit public employee retirement systems. The Consolidated Public Retirement Board (CPRB) administers the Plans under the direction of its Board of Trustees. The Governmental Employees Deferred Compensation Plan is administered by a third-party administrator and has been excluded from these financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

CPRB prepares separately issued financial statements covering the retirement systems, which can be obtained from the Consolidated Public Retirement Board, 601 57th Street, SE, Suite 5, Charleston, WV 25304 or <http://www.wvretirement.com>. The Plans' financial statements are prepared using fund accounting principles and the accrual basis of accounting, under which expenses are recorded when liabilities are incurred and revenues are recorded in the accounting period in which they are earned and become measurable. The Plans' fiduciary net position has been determined on the same basis used by the pension plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are carried at fair value as determined by a third-party pricing service utilized by the respective investment management companies. Investment transactions are accounted for on a trade-date basis. Unrealized gains and losses are included in investment income. Investment income is determined monthly and distributed to each of the defined benefit plans participating in the investment pools on the last day of the month in the form of reinvested shares.

The Plans are comprised of the following groups of defined benefit plans which provide substantially all employees of the State, its public education system, and other political subdivisions of the State with retirement and death and disability benefits:

- The Public Employees Retirement System (PERS) is a multiple-employer, cost-sharing, public employee retirement system. The number of local government employers participating in PERS at June 30, 2023, was 701, including 132 West Virginia state agencies, 122 cities and towns, 392 special districts, and 55 counties.

Benefits Provided

For PERS, a member is eligible for normal retirement at age 60 with five or more years of service, or at least age 55 with age and service equal to 80 or greater. A member may retire with the pension reduced actuarially if the member is at least age 55 and has at least ten years of contributory service or at any age with 30 years of contributory service. A member hired after July 1, 2015, may retire with the pension reduced actuarially if the member is between ages 60 and 62 with at least 30 years of contributory service. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of

service. Final average salary is the average annual salary from the highest 36 consecutive months within the last fifteen years of employment. For all employees hired after July 1, 2015, final average salary is the average annual salary of the highest 60 consecutive months within the last 15 years of employment. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired after July 1, 2015, this age increases to 64 with at least ten years of contributory service, or age 63 with at least 20 years of contributory service.

- The Deputy Sheriffs' Retirement System (DSRS) is a multiple-employer, cost-sharing, public employee retirement system which was established for all deputy sheriffs hired on or after July 1, 1998. Current employees were eligible to transfer from PERS. The State makes no employer contributions to DSRS.
- The Emergency Medical Services Retirement System (EMSRS) is a multiple-employer, cost-sharing public employee retirement system which was established for eligible emergency medical service officers. Participation is voluntary. The State makes no employer contributions to EMSRS.
- The Municipal Police Officers and Firefighters Retirement System (MPFRS) is a multiple-employer, cost-sharing public employee retirement system which was established for any municipality or municipal subdivision employing municipal police officers or firefighters. Participation is voluntary. The MPFRS had 651 participating members as of June 30, 2023. The State makes no employer contributions to MPFRS.
- The Natural Resources Police Officers Retirement System (NRPORS) is a single-employer defined benefit public employee retirement system which was established for all natural resources police officers hired by the West Virginia Division of Natural Resources (DNR) on or after January 2, 2021. This plan was also made available to any natural resources police officers employed in covered employment participating in PERS on the effective date. Approximately 115 natural resources police officers elected to participate and were transferred from the PERS plan.
- The Teachers' Retirement System (TRS) is a multiple-employer, cost-sharing, public employee retirement system. Fifty-five county public school systems, certain personnel of the thirteen State-supported institutions of higher education, West Virginia Department of Education, and boards of higher education participate in the TRS plan. There were 80 employers and one non-employer contributing entity (the State) participating in the plan as of June 30, 2023.

Benefits Provided

For TRS, all employees hired before July 1, 2015, are eligible for normal retirement at age 60 with 5 years of service, age 55 with 30 years of service, or any age with 35 years of service, or with reduced benefits before age 55 with at least 30 but less than 35 years of service. For all employees hired after July 1, 2015, qualification for normal retirement is age 62 with 10 years of service. All members hired after July 1, 2015, may retire with reduced benefits at age 62 with 10 or more years of service, age 57 with 20 or more years of service or age 55 with at least 30 years of service. Terminated members, who were hired before July 1, 2015,

with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62 or at age 60 with more than 20 years of service. For all employees hired after July 1, 2015, this requirement increases to age 64 with 10 years of service. Retirement benefits are equivalent to 2% of final average annual salary multiplied by years of service. Average salary is the average of the five highest fiscal years of earnings during the last 15 fiscal years of earnings.

- The State Police Death, Disability, and Retirement System (SPDDRS), the State Police Retirement System (SPRS), and the Judges' Retirement System (JRS) are single-employer, public employee retirement systems.

Benefits Provided

For SPDDRS, a member is eligible for normal retirement at age 50 after 20 years of contributory service, or at any age upon completion of 25 years of service. There is no vesting in the State's contributions prior to ten years of service. Benefits payable to members retiring prior to age 50 are deferred until the normal retirement date. The annual retirement benefit is 5.5% of the members' aggregate salary, but not less than \$6,000 per year. Total service-related disability benefits are equal to 8.5% the member's annual salary, but not less than \$15,000 per year. Aggregate salary may include up to five years of active military service credited at the average departmental salary. Aggregate salary for purposes of determining disability benefits may include salary that would have been earned had the participant served at least 25 years. An annual cost of living adjustment of 3.75% is granted to retirees and beneficiaries. For service-connected total disability retirees, the adjustment begins at age 65.

For SPRS, a member is eligible for normal retirement at age 50 with 25 years of service or age 52 with 20 years of credited service. A member retiring before age 52 with 20 years of credited service is eligible for a reduced benefit. The annual regular retirement benefit is equal to 3.00% of the final average salary multiplied by the years of service. Final average salary is the average of the five highest calendar years of earnings during the last ten years of earnings. Annual retirement annuity adjustments are 1% for regular retirement and are payable on July 1 of each year after the member reaches 63 years of age.

For JRS, members who were elected or appointed to the bench prior to July 2, 2005, are eligible for normal retirement after reaching 24 years of service, of which at least 12 years were as a sitting judge or justice, 16 years of service at age 65, of which at least 12 years were as a sitting judge or justice, or 8 full years of service at age 65. A member who was appointed or elected to the bench on or after July 2, 2005, is eligible for normal retirement upon the attainment of 24 years of service, of which at least 14 years were as a sitting judge or justice, or 16 years of service at age 65, of which 14 years were as a sitting judge or justice. A member on the bench prior to July 2, 2005, is eligible for a deferred benefit upon termination of service prior to normal retirement, provided the member completes 16 years of service, of which 12 years of service were as a sitting judge or justice. A member of the bench on or after July 2, 2005, is eligible for a deferred benefit upon termination of service prior to normal retirement, provided the member completes 16 years of service, of which 14 years of service were as a sitting judge or justice.

Plan membership consisted of the following as of the plan valuation date, June 30, 2023:

	SPDDRS	SPRS	JRS
Retirees and beneficiaries currently receiving benefits	743	119	57
Terminated members entitled to benefits but not yet receiving them	2	23	2
Terminated nonvested members	1	148	—
Active members	3	590	81
Total	749	880	140

Basis of Accounting

The CPRB is included in the fiduciary funds financial statements. Accordingly, the pension fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Member contributions are recognized in the period when contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each system. The internal service fund financial statements have also been prepared using the economic resources measurement focus and the accrual basis of accounting. Operating revenues and expenses generally result from fees charged in connection with the operation of the plans. The Board’s assets are held primarily in accounts maintained by the State Treasurer, the West Virginia Investment Management Board, and the third-party administrator of its defined contribution system.

Funding Policy

Funding policies for all the Plans have been established and changed from time to time by action of the State Legislature. Actuarial valuations are performed to assist the Legislature in determining appropriate contribution rates. As a condition of participation in the Plans, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by CPRB. The following schedule summarizes each defined benefit plan’s required contribution rates at June 30, 2023:

Statutory Contribution Rates as a Percent of Covered Payroll		
System	Member	Employer
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	15.0% State 15.0% Counties
SPDDRS	9.0%	15.0%
SPRS	12.0%	20.0%
JRS	7.0%	Appropriated by the Legislature

The State's required and actual contributions for the year ended June 30, 2023, were (expressed in thousands):

<u>System</u>	<u>Actual Contribution</u>
PERS	\$ 107,160
TRS	420,054
SPDDRS	40
SPRS	8,100
JRS	797

Special Funding Situation

The State is a non-employer contributing entity that provides funding through the School Aid Formula (SAF) to subsidize employer contributions of county boards of education and to fund the unfunded liability of TRS for all participating employers. These amounts qualify as a special funding situation in accordance with GASB 68. The State assumes a share of the net pension liability on behalf of the various county boards of education for contributions related to the SAF. The State also assumes a share of the net pension liability on behalf of all participating employers for contributions related to funding of the non-employer contributing entity unfunded liability. The State reports a liability, deferred outflow of resources and deferred inflow of resources, and expense as a result of its requirement to contribute to the TRS plan.

The State Supreme Court has required the State to fund the TRS in an actuarially sound manner to eliminate the unfunded liability over a 40-year period beginning on July 1, 1994, and to meet the cash flow requirements of the TRS in fulfilling its future anticipated obligations to its members. The State Supreme Court has further ordered the State, through the Governor, to require the appropriate funding should the State Legislature fail to do so. Since this ruling, the Legislature has supplemented the funding of the TRS to meet this special funding situation requirement in the amount of \$333,363,000 for FY 2022, which is exclusive of the SAF appropriation.

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State's net pension asset (liability), deferred outflows of resources, deferred inflows of resources and pension expense relating to the governmental, business-type, fiduciary, and component units' activities for the PERS plan, governmental and component units' activities for the TRS plan, and governmental activities for the single employer plans are as follows for June 30, 2023 (expressed in thousands):

Description	Governmental Activities	Business-type Activities	Fiduciary	Discretely Presented Component Units	Total
Net Pension Asset	\$ 147,276	\$ —	\$ —	\$ —	\$ 147,276
Net Pension Liability	(2,565,363)	(716)	(80)	(23,670)	(2,589,829)
Deferred Outflows of Resources	1,098,439	1,960	218	50,383	1,151,000
Deferred Inflows of Resources	(115,563)	(15)	(2)	(4,494)	(120,074)
Pension Expense	140,323	382	(45)	9,756	150,416

Refer to pages 166-167 for amounts reported for the PERS cost-sharing plan as it relates to governmental activities, business-type activities, fiduciary funds, and component units. Refer to page 169 for amounts reported for the TRS cost-sharing plan as it relates to governmental activities and component units. Refer to page 171 for amounts reported for the single-employer plans as they relate to governmental activities.

At June 30, 2023, the State reported a net pension liability of \$2,589,829,000 and a net pension asset of \$147,276,000 for its proportionate share of the multiple-employer, cost-sharing plans, and single employer plans, which were measured as of June 30, 2022. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The pension asset, liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense are allocated to the internal service funds of the State. The State's proportionate share of the net pension asset/liability for the PERS and TRS was based on the State's share of contributions to the pension plan relative to the contributions of all employers participating in PERS and TRS for the year ended June 30, 2022.

The State's share of the net pension asset/liability for the PERS and TRS plans determined by the actuarial valuation as of June 30, 2021 is as follows (in thousands):

	2023	% of share	2022	% of share	Change \$	Change %
PERS	\$ (99,056)	66.52	\$ 593,849	67.62	\$ (692,905)	(1.10)%
TRS	\$ (2,409,076)	93.66	\$ (3,041,143)	94.43	\$ 632,067	(0.77)%

The State's amounts for net pension asset, liability, deferred outflows of resources, deferred inflows of resources, and pension expense were allocated to the governmental, business-type, fiduciary, and component units' activities based on each reporting unit's share of the State's employer contributions to the PERS and TRS plans. The pension-related amounts for primary government, fiduciary, and component units are as follows:

PERS (expressed in thousands):

	<u>Governmental Activities</u>	<u>Water Pollution</u>	<u>Infrastructure</u>
Proportionate share of statewide amount	81.18 %	0.09 %	0.04 %
Net pension liability	\$ (80,409)	\$ (93)	\$ (41)
Pension expense	(18,893)	54	16
Deferred outflows of resources representing contributions subsequent to the measurement date	87,677	100	36
Deferred outflows of resources representing the changes in employer proportion	883	—	—
Deferred outflows of resources representing difference between expected and actual experience	30,833	37	16
Deferred outflows of resources representing change in assumptions	52,901	64	27
Net deferred outflows of resources representing the difference between projected/actual earnings on investments	48,476	59	25
Deferred inflows of resources representing the changes in employer proportion	(1,460)	(2)	(1)
Amortization of applicable deferred amounts in current period	131,633	158	67
Amortization of applicable deferred amounts in future periods:			
2024	41,897	62	26
2025	14,547	4	2
2026	(53,116)	(62)	(26)
2027	128,305	154	65
Sensitivity Analysis:			
Net pension asset (liability) at 6.25% discount rate	(580,808)	(661)	(294)
Net pension asset (liability) at 7.25% discount rate	(80,409)	(93)	(41)
Net pension asset (liability) at 8.25% discount rate	345,014	392	174

PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary Funds	Component Units	Total
0.15 %	0.15 %	0.29 %	81.90 %	0.08 %	18.02 %	100 %
\$ (149)	\$ (148)	\$ (285)	\$ (81,125)	\$ (80)	\$ (17,851)	\$ (99,056)
83	75	154	(18,511)	(45)	9,897	(8,659)
51	154	316	88,334	85	18,741	107,160
2	2	7	894	1	413	1,308
82	57	135	31,160	31	6,878	38,069
141	97	162	53,392	53	11,800	65,245
130	89	171	48,950	48	10,809	59,807
(3)	—	(9)	(1,475)	(2)	(172)	(1,649)
352	245	466	132,921	131	29,728	162,780
138	96	182	42,401	42	9,462	51,905
12	8	15	14,588	14	3,285	17,887
(134)	(93)	(181)	(53,612)	(53)	(11,996)	(65,661)
336	234	450	129,544	128	28,977	158,649
(1,051)	(1,044)	(2,019)	(585,877)	(566)	(126,310)	(712,753)
(149)	(148)	(285)	(81,125)	(80)	(17,851)	(99,056)
624	620	1,198	348,022	336	78,508	426,866

Deferred outflows of resources and deferred inflows of resources related to the PERS pension were from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 59,807	\$ —
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,308	(1,649)
Difference between expected and actual experience	38,069	—
Change in assumptions	65,245	—
Contributions made subsequent to the measurement date	107,160	—
Total	<u>\$ 271,589</u>	<u>\$ (1,649)</u>

Deferred outflows of resources of \$107,160,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2022, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 51,905
2025	17,887
2026	(65,661)
2027	158,649

TRS, including special funding situation (expressed in thousands):

	<u>Governmental Activities</u>	<u>Component Units</u>	<u>Total</u>
Proportionate share of statewide amount	99.76 %	0.24 %	100 %
Net pension liability	\$ (2,403,257)	\$ (5,819)	\$ (2,409,076)
Pension expense, net of interfund special funding situation	175,357	(141)	175,216
Deferred outflows of resources representing contributions subsequent to the measurement date	419,456	598	420,054
Deferred outflows of resources representing the changes in employer proportion	61,973	192	62,165
Deferred outflows of resources representing the net difference between expected and actual experience	99,793	240	100,033
Deferred outflows of resources representing difference in assumptions	135,775	477	136,252
Deferred outflows of resources representing net difference between projected and actual earnings on investments	97,482	235	97,717
Deferred inflows of resources representing the changes in employer proportion	(73,603)	(4,182)	(77,785)
Deferred inflows of resources representing the net difference between expected and actual experience	(19,598)	(140)	(19,738)
Amortization of applicable deferred amounts in current period	301,822	(3,178)	298,644
Amortization of applicable deferred amounts in future periods:			
2024	46,432	(489)	45,943
2025	42,848	(451)	42,397
2026	(39,266)	413	(38,853)
2027	253,827	(2,673)	251,154
2028	(2,019)	22	(1,997)
Sensitivity Analysis:			
Net pension liability at 6.25% discount rate	(3,558,160)	(8,552)	(3,566,712)
Net pension liability at 7.25% discount rate	(2,403,257)	(5,819)	(2,409,076)
Net pension liability at 8.25% discount rate	(1,451,655)	(3,490)	(1,455,145)

Deferred outflows of resources and deferred inflows of resources related to the TRS pension plan were from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 97,717	\$ —
Changes in proportion and difference between employer and proportionate share of contributions	62,165	(77,785)
Difference in expected and actual experience	100,033	(19,738)
Difference in assumptions	136,252	—
Contributions made subsequent to the measurement date	420,054	—
Total	<u>\$ 816,221</u>	<u>\$ (97,523)</u>

Deferred outflows of resources of \$420,054,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2022, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ending June 30,	Amount
2024	\$ 45,943
2025	42,397
2026	(38,853)
2027	251,154
2028	(1,997)

As of June 30, 2023, the State reported a net pension asset and a net pension liability of \$147,276,000 and \$81,697,000, respectively, for the single employer plans which were measured as of June 30, 2022. The total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The amounts for net pension asset, net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense were allocated to reporting units related to governmental activities based on each reporting unit's employer contributions to the SPDDRS, SPRS, and JRS plans.

Single Employer Plans (expressed in thousands):

	SPRS	SPDDRS	JRS	Total
Net pension asset/(liability)	\$ (41,236)	\$ (40,461)	\$ 147,276	\$ 65,579
Pension expense	8,842	(7,396)	(17,587)	(16,141)
Deferred outflows of resources representing contributions subsequent to the measurement date	8,100	40	797	8,937
Deferred outflows of resources representing the change in assumptions	26,654	—	3,229	29,883
Deferred outflows of resources representing the difference between expected and actual experience	8,548	—	—	8,548
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	4,600	8,188	3,034	15,822
Deferred inflows of resources representing the difference between expected and actual experience	(3,474)	—	(17,428)	(20,902)
Amortization of applicable deferred amounts in current period	36,328	8,188	(11,165)	33,351
Amortization of applicable deferred amounts in future periods:				
2024	5,575	(1,202)	(5,677)	(1,304)
2025	5,044	(3,587)	(5,312)	(3,855)
2026	3,127	(9,426)	(6,585)	(12,884)
2027	13,625	22,403	6,511	42,539
2028-2030	8,957	—	(102)	8,855
Sensitivity Analysis:				
Net pension asset/(liability) 6.25%	(95,489)	(138,842)	135,037	(99,294)
Net pension asset/(liability) 7.25%	(41,236)	(40,461)	147,276	65,579
Net pension asset/(liability) 8.25%	2,442	40,672	157,711	200,825

**Changes in the Net Pension Liability (Asset)
(Expressed in Thousands):**

SPDDRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2021	\$ 801,319	\$ 851,533	\$ (50,214)
Changes for the year:			
Service cost	98	—	98
Interest	56,238	—	56,238
Difference between expected and actual experience	1,458	—	1,458
Change of assumptions	—	—	—
Contributions – employer	—	17,842	(17,842)
Contributions – employee	—	26	(26)
Net investment income	—	(51,130)	51,130
Benefit payments	(51,447)	(51,447)	—
Administrative expense	—	(340)	340
Other changes	—	721	(721)
Net changes	6,347	(84,328)	90,675
Balances at 6/30/2022	\$ 807,666	\$ 767,205	\$ 40,461

SPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2021	\$ 286,528	\$ 301,158	\$ (14,630)
Changes for the year:			
Service cost	9,258	—	9,258
Interest	21,236	—	21,236
Difference between expected and actual experience	3,451	—	3,451
Changes in assumptions	15,809	—	15,809
Contributions – employer	—	9,428	(9,428)
Contributions – employee	—	4,395	(4,395)
Net investment income	—	(19,815)	19,815
Benefit payments	(5,743)	(5,743)	—
Administrative expense	—	(120)	120
Net changes	44,011	(11,855)	55,866
Balances at 6/30/2022	\$ 330,539	\$ 289,303	\$ 41,236

JRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2021	\$ 108,974	\$ 280,660	\$ (171,686)
Changes for the year:			
Service cost	2,590	—	2,590
Interest	7,905	—	7,905
Difference between expected and actual experience	(2,457)	—	(2,457)
Changes in assumptions	—	—	—
Contributions – employer	—	1,052	(1,052)
Contributions – employee	—	319	(319)
Net investment income	—	(17,631)	17,631
Benefit payments	(5,046)	(5,046)	—
Administrative expense	—	(112)	112
Net changes	2,992	(21,418)	24,410
Balances at 6/30/2022	\$ 111,966	\$ 259,242	\$ (147,276)

Actuarial Methods and Assumptions

The total pension liabilities for financial reporting purposes were determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the actuarial assumptions and methods.

Significant assumptions used in the actuarial valuations are as follows:

	PERS	TRS	SPDDRS
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	4-year, 25% level smoothing of gain or (loss). Gain or (loss) is determined as the actual return on market value during the period less the expected return on the actuarial value of assets	4-year, 25% level smoothing of gain or (loss). Gain or (loss) is determined as the actual return on market value during the period less the expected return on the actuarial value of assets	Market value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2035	Through FY 2034	7 years from July 1, 2020 for the initial base. 5 years for each base established thereafter
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases:			
PERS:			
State	2.75% – 5.55%	—	—
Nonstate	3.60% – 6.75%	—	—
TRS:			
Teachers	—	2.75% – 5.9%	—
Non-Teachers	—	2.75% – 6.5%	—
SPDDRS:	—	—	4%
Inflation rate	2.75%	2.75%	2.75%
Discount rate	7.25%	7.25%	7.25%
Mortality rates	Working Participants – 100% of Pub-2010 general employees table, below-median, headcount-weighted, projected with scale MP-2018; retired males – 108% of Pub-2010 general retiree male table, below median, headcount-weighted, projected with scale MP-2018; retired females – 122% of Pub-2010 general retiree female table, below median, headcount-weighted, projected with scale MP-2018; disabled males – 118% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2018; retired disabled females – 117% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Actives – Pub-2010 General Employees table, headcount-weighted, projected with scale MP-2019; retired males - 100% of Pub-2010 General Retiree male table, headcount-weighted, projected with scale MP-2019; retired females - 112% of Pub-2010 General Retiree female table, headcount-weighted, projected with scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Disabled male table, headcount-weighted projected with scale MP-2019; disabled females - 113% of Pub-2010 General/Teachers Disabled female table, headcount-weighted projected with scale MP-2019; beneficiary males - 101% of Pub-2010 Contingent Survivor male table, headcount-weighted, projected with scale MP-2019; beneficiary females - 113% of Pub-2010 Contingent Survivor female table, headcount-weighted, projected with scale MP-2019.	Actives – Pub-2010 Safety Employee, amount weighted, projected generationally with scale MP-2020; retired males - 98% of Pub-2010 Safety retiree male table, amount weighted, projected generationally with scale MP-2020; retired healthy females - 99% of Pub-2010 Safety retiree female table, amount weighted, projected generationally with scale MP-2020; disabled males - 124% of Pub-2010 Safety disabled male table, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 Safety disabled female table, amount weighted, projected generationally with scale MP-2020; Beneficiary males - 111% of Pub-2010 Contingent survivor male table, amount weighted, projected generationally with scale MP-2020; Beneficiary females - 109% of Pub-2010 Contingent survivor female table, amount weighted, projected generationally with scale MP-2020.
Withdrawal rates:			
State	2.28% - 45.63%	Teachers: 1.6% - 35%	0.0% - 2.67%
Nonstate	2.5% - 35.88%	Non-teachers: 2.3% - 23.51%	
Disability rates	0.0% - 0.5%	0.0% - 0.6%	.03% - 0.4%
Retirement rates	12% - 100%	0% - 100%	25% - 100%
Date range of most recent experience study	2013-2018	2015-2020	2015 - 2020

	SPRS	JRS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial valuation method	Market value	Market value
Amortization method	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2032	N/A
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	4.0%	4.25%
Inflation rate	2.75%	2.75%
Discount rate	7.25%	7.25%
Mortality rates	Actives - Pub-2010 Safety Employee, amount weighted, projected generationally with scale MP-2020; retired males - 98% of Pub-2010 Safety retiree male table, amount weighted, projected generationally with scale MP-2020; retired healthy females - 99% of Pub-2010 Safety retired female table, amount weighted, projected generationally with scale MP-2020; disabled males - 124% of Pub-2010 Safety disabled male table, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 Safety disabled female table, amount weighted, projected generationally with scale MP-2020; Beneficiary males - 111% of Pub-2010 Contingent survivor male table, amount weighted, projected generationally with scale MP-2020; Beneficiary females - 109% of Pub-2010 Contingent survivor female table, amount weighted, projected generationally with scale MP-2020.	Actives - N/A - 100% of Pub-2010 General retiree, above-median, amount weighted, projected generationally with scale MP-2020; retired healthy females - 100% of Pub-2010 General retiree, above-median, amount weighted, projected generationally with scale MP-2020; disabled males - 100% of Pub-2010 General/teachers disabled, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 General/teachers disabled, amount weighted, projected generationally with scale MP-2020; Beneficiary males - 100% of Pub-2010 contingent survivor, above-median, amount weighted, projected generationally with scale MP-2020; beneficiary females - 100% of Pub-2010 contingent survivor, above-median, amount weighted, projected generationally with scale MP-2020.
Withdrawal rates	0.0% - 6.8%	—
Disability rates	0.03% - 0.4%	—
Retirement rates	20% - 100%	5.0% - 100%
Date range of most recent experience study	2015-2020	2015-2020

Long-Term Expected Rates of Return

The long-term geometric rates of return on pension plan investments were determined using the building-block method in which estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for all defined benefit plans as of June 30, 2023:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	6.5%	22.5%
International Equity	9.1%	22.5%
Fixed Income	4.3%	15.0%
Real Estate	5.8%	12.0%
Private Credit	8.2%	6.0%
Private Equity	9.2%	12.0%
Hedge Funds	4.6%	10.0%
Total		100%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for all defined benefit plans. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan. The discount rate used to measure the total pension liability did change for the June 30, 2022 valuation from the June 30, 2020 valuation.

Detailed pension plan fiduciary net position for all pension plans are available in a separately issued Consolidated Public Retirement Board annual financial report, and each plan has its own Audited Schedules of Employer Allocations and Pension Amounts by Employer report.

Defined Contribution Plans

The Teachers' Defined Contribution Retirement System (TDCRS)

TDCRS, administered by the Consolidated Public Retirement Board, is a multiple-employer defined contribution retirement system primarily covering the full-time employees of the State's 55-county public school systems, the State Department of Education, the School for the Deaf and the Blind, and the Marshall University Research Corporation who were hired between July 1, 1991 and June 30, 2005. TDCRS members also include former TRS plan members, including higher education employees, who have elected to participate in the TDCRS plan. There are approximately 3,668 and 3,777 members in the TDCRS plan at June 30, 2023 and 2022, respectively. TDCRS retirement benefits depend solely on amounts contributed to the plan plus investment earnings. TDCRS closed participation to new members effective June 30, 2005.

State legislation requires enrolled employees to contribute 4.5% of their gross compensation, and the employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid Formula. Employer contributions for each employee (and interest allocated to the employee's account) become partially vested after 6 years and fully vested after 12 years of completed service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming vested are available, in the event the employee does not return to active participant status within five years, to reduce the employer's current-period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

The TDCRS investments are held and managed by an investment company as the third-party administrator for the plan. As prescribed by West Virginia Code, the TDCRS investments are placed in participant accounts and the participants direct the investment of their account by selecting from a list of plan mutual funds or a long-term fixed investment option. The TDCRS provides members with a choice of 20 separate investment options made up of fixed income, balanced, large cap, mid cap, small cap, and international mutual funds, a money market fund, and a fixed annuity. The State currently does not have specific overall policies

addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

The TDCRS investments are carried at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value) as determined by a third-party pricing service utilized by an investment management company. For fully benefit-responsive investment contracts, contract value is the relevant measure for the portion of investments attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan. Investment income for the TDCRS is determined monthly and distributed to the individual participant accounts.

Custodial Credit Risk – Cash Deposits

The TDCRS' cash deposits with financial institutions were approximately \$286 thousand at June 30, 2023. These deposits, which had a bank balance of approximately \$286 thousand, are either insured by the Federal Deposit Insurance Corporation or collateralized with securities held in TDCRS' name by its agents.

Interest Rate Risk

As of June 30, 2023, the TDCRS had the following investments and maturities (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Mutual Funds	\$658,817	\$658,817	\$—	\$—

For the year ended June 30, 2023, the approximate payroll of state employees covered by TDCRS was \$124 million, and total covered payroll for both the TDCRS and TRS was approximately \$1.76 billion. Both the employees and employers made the required contributions amounting to \$5.6 million and \$9.3 million, or approximately 4.5% and 7.5% of covered payroll, respectively.

Teachers Insurance and Annuity Association

The Teachers Insurance and Annuity Association and/or College Retirement Equities Fund (TIAA-CREF), a privately administered multiple-employer defined contribution retirement plan, provides individual retirement fund contracts for each eligible participating employee. Eligible employees consist mainly of state college/university faculty and staff. For the year ended June 30, 2023, contributions were approximately \$53.3 million from the covered employees and approximately \$53.2 million from the 13 participating institutions from the State of West Virginia.

Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total annual required contribution and the amount paid is 3% or 6% of the employee's annual salary and is established by the Board of Trustees of the University

System of West Virginia and the Board of Directors of the State College System. The State has no further liability once annual contributions are made.

Empower Retirement

Higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have a one-time option to switch to the New Educators Money 401(a) basic retirement plan, administered by Empower Retirement. New hires have the choice of either plan. For the year ended June 30, 2023, contributions were approximately \$174 thousand from the covered employees and \$174 thousand from the 13 participating institutions from the State of West Virginia.

NOTE 15**OTHER POSTEMPLOYMENT BENEFITS****General**

In addition to the pension benefits described in Note 14, the State provides certain health care and other insurance benefits, in accordance with state statutes, for retired employees. Substantially all employees hired prior to July 1, 2001, may become eligible for these benefits if they reach normal retirement age while working for the State. State employees earn sick-leave benefits, which accumulate but do not vest. Eligible employees may convert, at the time of retirement, any unused accumulated sick leave to pay a portion of the employee's postemployment health care insurance premium. If this option is not selected, the leave amount may be applied toward an increase in the employee's retirement benefits, with such sick leave constituting additional credited service in the computation of such benefits. The unused portion of sick leave that is expected to be converted to additional credited service for retirement benefits is considered in the actuarial valuation used to calculate the total pension liability.

The State provides health care credits against monthly health insurance premiums of certain retirees based on various factors, including unused sick leave at the time of retirement. According to West Virginia State Code, employees hired prior to June 30, 1988, can receive health care credit against 100% of their health care coverage. Employees hired between June 30, 1988 and July 1, 2001, can receive health care credits against 50% of their health care cost. Employees hired July 1, 2001, or later, may not convert sick leave into a health care benefit.

In addition to the pension benefits allowing certain retirees to convert sick leave to health care premiums, state statutes provide that employees who retire may continue participation in the State's health insurance plan subject to certain length of service and participation requirements. Such employees are eligible to participate in the public employees' insurance program by making the premium contribution specified by the Public Employees Insurance Agency (PEIA) Finance Board. Approximately 42,713 retirees, 14,300 inactive plan members, and 29,117 active plan members met those eligibility requirements at June 30, 2023.

The State is a nonemployer contributing entity that provides funding through Senate Bill No. 469, which was passed granting Other Postemployment Benefits Liability relief to the State's 55 county boards of education effective July 1, 2012. The Public School Support Plan is a basic foundation allowance program that provides funding to the local school boards for "any amount of the employer's annual required contribution allocated and billed to the county boards of education for employees who are employed as professional employees, as service personnel, or as professional student support personnel," within the limits authorized by this law. The special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability.

Plan Description

The State established the RHBT under West Virginia Code §5-16D-2, an irrevocable trust, to account and report for the other postemployment benefits (OPEB) provided under the multiemployer cost-sharing plan. While PEIA administers the plan, legislation requires the

RHBT to determine, through an actuarial study, the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the 701 respective employers who are required by law to remit at least the minimum annual premium component of the CRC.

The RHBT provides the following basic retiree benefit coverage to all participants: hospital, surgical, group major medical, basic group life, and prescription drug coverage for retired employees of the State and various nonstate governmental agencies and their dependents. Plan benefits are established and revised by PEIA and RHBT management with the approval of their Finance Board.

Basis of Accounting

The RHBT is included in the fiduciary funds financial statements. Accordingly, the basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for governmental entities as prescribed or permitted by the GASB. Revenues are derived mainly from contributions from plan members and employers. Members' contributions are recognized in the period in which the contributions are due. Employers' contributions to the RHBT are recognized pursuant to a legal requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable. RHBT cash and cash equivalents principally consists of deposits in the Board of Treasury Investments (BTI) pooled funds recorded at fair value, as more fully described in Note 4.

Funding Policy

West Virginia Code §5-16D-6 also assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the plan members and the participating employers. Participating employers are required by statute to contribute at a rate assessed each year by the RHBT. The annual contractually required rate is the same for all participating employers.

West Virginia Code §5-16-25 requires the Finance Board of PEIA to maintain a reserve of 10% of projected PEIA plan costs for general operation purposes and to provide future plan stability.

The following schedule summarizes the plan's required contribution rates at June 30, 2023:

Statutory Contribution Rates as a Percent of Covered-Employee Payroll

System	Member	Employer
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	15.0% State 15.0% Counties

The State's required and actual contributions for the year ended June 30, 2023, were as follows (expressed in thousands):

<u>System</u>	<u>Actual Contribution</u>
OPEB	\$86,673

Special Funding

Senate Bill No. 419, effective July 1, 2012, amended West Virginia Code §11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation Fund (WCF) to the RHBT. Transfers will be made until the RHBT unfunded liability has been provided for in its entirety or July 1, 2037, whichever date is later. The aforementioned \$30 million transfers commenced in 2017.

In December 2011, the PEIA Finance Board passed a finance plan that placed a 3% cap on the amount participating employers will now pay in retiree premium subsidy annual increases. By this action, the employer is no longer exposed to ever-increasing trends in health care costs, significantly reducing future retiree premium subsidy costs.

OPEB Assets, OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State reported a net OPEB liability, including the county school boards, at June 30, 2023, of \$88,912,000, including a special funding situation of the net OPEB liability (79.89%) for its share, which was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined using update procedures applied to the actuarial valuation as of June 30, 2021, and measured as of June 30, 2022. The OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are allocated to governmental activities, including blended component units and internal service funds, business-type, and component units' activities of the State. The State's proportionate share of the net OPEB liability was based on the State's share of contributions to the OPEB plan relative to the contributions of all employers participating for the year ended June 30, 2022.

The State's proportionate share of the net OPEB liability at June 30, 2023, determined by the actuarial valuation measured as of June 30, 2021, was \$88,912,000, including a special funding situation (79.89%). The State's proportionate share for FY 2023 has decreased by 0.28%. There was also a significant change in actuarial assumptions that resulted in the increase of the total OPEB liability of (\$112,751,000) resulting in an OPEB liability.

The State's amounts for net OPEB (asset), liability, deferred outflows of resources (DO), deferred inflows of resources (DI), and OPEB expense were allocated to the governmental, business-type, fiduciary, and component units' activities based on each reporting unit's share of the State's employer contributions to the OPEB plan. The OPEB-related amounts for primary government, fiduciary funds, and component units are as follows (expressed in thousands):

	Governmental Activities	Business-type	
		Water Pollution	Infrastructure
Proportionate share of statewide amount	80.70 %	0.03 %	0.01 %
Net OPEB liability	\$ (71,754)	\$ (29)	\$ (4)
OPEB expense	(269,552)	(180)	(36)
DO related to contributions after measurement	72,292	23	4
DO related to change in proportion	91,775	—	7
DO related to diff in projected/actual investment earnings	11,149	5	1
DO related to diff. between expected/actual experience	—	—	—
DO related to diff. in assumptions	46,036	19	2
DI related to investment	—	—	—
DI related to change in proportion	(83,112)	(28)	(6)
DI related to assumption changes	(183,195)	(75)	(11)
DI related to experience	(91,304)	(38)	(5)
Total subject to amortization	(208,651)	(117)	(12)
Amortization of applicable deferred amounts in future periods:			
2024	(213,722)	(120)	(12)
2025	(13,963)	(8)	(1)
2026	(7,817)	(4)	(1)
2027	26,851	15	2
Sensitivity Analysis:			
Net OPEB asset at 5.65% discount rate	(184,435)	(75)	(10)
Net OPEB asset at 6.65% discount rate	(71,754)	(29)	(4)
Net OPEB asset at 7.65% discount rate	24,914	10	1
Net OPEB asset at 1% decrease of healthcare cost trend rate	40,794	16	2
Net OPEB asset at healthcare cost trend rate	(71,754)	(29)	(4)
Net OPEB asset at 1% increase of healthcare cost trend rate	(204,928)	(83)	(11)

		Business-type							
PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary	Component Units	Total			
	0.03 %	0.02 %	0.09 %	80.88 %	0.02 %	19.10 %	100.00 %		
\$	(28)	\$ (20)	\$ (85)	\$ (71,920)	\$ (15)	\$ (16,977)	\$ (88,912)		
	(119)	(120)	(417)	(270,424)	(68)	(83,939)	(354,431)		
	26	27	51	72,423	14	14,236	86,673		
	41	29	35	91,887	19	6,773	98,679		
	4	3	13	11,175	2	2,682	13,859		
	—	—	—	—	—	—	—		
	18	—	55	46,130	10	11,265	57,405		
	—	—	—	—	—	—	—		
	(129)	(61)	(110)	(83,446)	(69)	(16,504)	(100,019)		
	(72)	(51)	(216)	(183,620)	(39)	(42,108)	(225,767)		
	(36)	(25)	(109)	(91,517)	(20)	(21,303)	(112,840)		
	(174)	(105)	(332)	(209,391)	(97)	(59,195)	(268,683)		
	(178)	(108)	(340)	(214,480)	(99)	(60,634)	(275,213)		
	(12)	(7)	(22)	(14,013)	(6)	(3,961)	(17,980)		
	(6)	(4)	(12)	(7,844)	(4)	(2,218)	(10,066)		
	22	14	42	26,946	12	7,618	34,576		
	(72)	(51)	(218)	(184,861)	(39)	(43,637)	(228,537)		
	(28)	(20)	(85)	(71,920)	(15)	(16,977)	(88,912)		
	10	7	30	24,972	5	5,895	30,872		
	16	11	48	40,887	9	9,652	50,548		
	(28)	(20)	(85)	(71,920)	(15)	(16,977)	(88,912)		
	(80)	(57)	(243)	(205,402)	(43)	(48,486)	(253,931)		

Deferred outflows of resources and deferred inflows of resources related to the OPEB as of June 30, 2023, were from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 13,859	\$ —
Changes in proportion and difference between employer contributions and proportionate share of contributions	98,679	(100,019)
Difference between expected and actual experience	—	(112,840)
Change in assumptions	57,405	(225,767)
Contributions made subsequent to the measurement date	86,673	—
Total deferred outflows/inflows to be amortized	<u>\$ 256,616</u>	<u>\$ (438,626)</u>

Deferred outflows of resources of \$86,673,000 related to OPEB are the result of contributions made subsequent to the measurement date of June 30, 2022, and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30:	Amount
2024	\$ (275,213)
2025	(17,980)
2026	(10,066)
2027	34,576

Actuarial Methods and Assumptions

The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2021 and measured as of June 30, 2022, using update procedures applied to the actuarial assumptions and methods. The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing.

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Inflation rate	2.25%
Salary increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.
Retirement age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.5% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.
Date range in most recent experience study	Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

Long-Term Expected Rates of Return

The long-term rates of return on OPEB plan investments were determined using the building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of long-term geometric rates are summarized in the following tables and include the inflation component as of June 30, 2022:

Asset Class	Long-Term Expected Rate of Return
Domestic Equity	5.3%
International Equity	6.1%
Fixed Income	2.2%
Real Estate	6.5%
Private Equity	9.5%
Hedge Funds	3.8%

Asset Class	Target Allocation
Domestic Equity	27.5%
International Equity	27.5%
Fixed Income	15.0%
Real Estate	10.0%
Private Equity	10.0%
Hedge Funds	10.0%

Discount Rate

The single discount rate used to measure the total OPEB liability was 6.65%. The projections of cash flows used to determine the discount rates assumed that the RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with pre-funding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2037, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.



NOTE 16**RISK MANAGEMENT**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life coverage; and natural disasters. The State of West Virginia operates three significant insurance enterprise funds: Board of Risk and Insurance Management (BRIM), Public Employees Insurance Agency (PEIA), and Workers' Compensation Fund (WCF).

On March 12, 2011, the West Virginia Legislature created the State Entities Workers' Compensation Program Fund (SEWC) to provide a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The SEWC functions as an insurance-purchasing risk pool and is administered by the Office of the Insurance Commissioner (OIC). On October 1, 2011, the OIC entered into a high-deductible insurance coverage policy with Zurich. Pursuant to the policy provisions, the SEWC retains the loss exposure up to \$250,000 per occurrence. The SEWC has provided for these losses by establishing a Loss Reserve Fund with Zurich. The SEWC had a total of \$12.3 million in unpaid claims and claim adjustment expenses at June 30, 2023.

Based on the composition and characteristics of these funds, the SEWC and AccessWV claim liabilities are not discounted.

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. The purpose of this fund is to provide fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of previously enacted tort reforms. This fund provides relief to claimants whose damages were limited because of caps for trauma care or as a result of joint and several liabilities. The capitalization of the fund comes from the State's tobacco settlement fund. The activity for this fund is not reflected in BRIM's financial statements. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is reflected in the State's financial statements. Senate Bill 602 passed in March 2016 and closed the Medical Liability Fund. All remaining funds were transferred to the Patient Injury Compensation Fund in July 2016. Therefore, there is no continuation of services previously provided by the Medical Liability Fund. This legislation also closed compensation to any claimants who filed with the Patient Injury Fund on or after July 1, 2016. Additional funding to pay any compensate claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals. Senate Bill 576 passed in March of 2018 mandated that any funds remaining in the Patient Injury Compensation Fund as of June 30, 2023, that will not be used for claims payments or administrative costs, be transferred to the General Reserve Fund. Although BRIM administers the Patient Injury Compensation Fund, it is a fiduciary fund of the State of West Virginia and is not part of these financial statements.

Description of the Funds

Board of Risk and Insurance Management

BRIM provides a property and liability self-insurance program for its member agencies. BRIM has general supervision and control over the insurance of all state property, including that of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by BRIM. Types of coverage provided by BRIM have been expanded over time to include medical malpractice, automobile liability, and coal mine subsidence reinsurance. At the end of the fiscal year, approximately 1,185 organizations participated in the BRIM risk pool.

Underwriting and rate-setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains a \$1 million per occurrence coverage maximum on all third-party liability claims. In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Excess coverage under this program is limited to \$400 million per event, subject to limits on certain property. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. There have been no significant reductions in insurance coverage from the prior year.

Public Employees Insurance Agency

PEIA provides a program of health, life, and prescription insurance for its member agencies. PEIA provides coverage for all participating state employees, including those of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by PEIA. PEIA's general objectives are to provide a basic employee benefit insurance program, which includes hospital, surgical, major medical, prescription drug, basic life, and accidental death for all participating employers and employees. Underwriting and rate-setting policies are established by PEIA. The cost of all coverage, as determined by PEIA, shall be paid by the participants. Life insurance coverage is limited to \$500,000. Premiums are established by PEIA at varying rates dependent upon, among other things, coverage required, number of dependents, state vs. nonstate employees, and active employee vs. retired employee. PEIA retains all risks for the health and prescription features of its indemnity plan. PEIA has transferred the risks for health and prescription coverage for those individuals covered by the Managed Care Organization (MCO) Plan to the plan providers. PEIA has reinsured 100% of the basic life benefits; however, PEIA remains contingently liable in the event the insurer does not honor its obligation. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 164,000 individuals, including participants and dependents.

Workers' Compensation Fund

The Workers' Compensation Commission (WCC) was an agency of the State of West Virginia from 1913 until 2005, which provided for the payment of benefits to all employees sustaining personal injuries in the course of, and as a result of, their covered employment. On December 31, 2005, the West Virginia WCC ceased to exist as a separate state entity and all regulatory duties for workers' compensation insurance transitioned to the Office of the West Virginia Insurance Commissioner (the Insurance Commissioner), as did the administrative oversight of certain assets and liabilities of the former WCC. On January 1, 2006, the former WCC became a private sector insurance company.

The "workers' compensation old fund" (Old Fund) was created for those funds transferred to the offices of the Insurance Commissioner and those funds due and owing the workers' compensation fund as of June 30, 2005. The Old Fund assets and liabilities are the responsibility of the State and did not novate or otherwise transfer to the private sector insurance company. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, with a date of injury on or before June 30, 2005.

Senate Bill 1004 also created the "workers' compensation uninsured employers' fund," "self-insured guaranty risk pool," "self-insured security risk pool," "private carrier guaranty fund," and an "assigned risk fund" in the State's treasury. An employer who has been granted self-insured status for workers' compensation insurance coverage must post security with the Insurance Commissioner for an actuarially determined amount. Payments for injuries of defaulted self-insured employers incurred after July 1, 2004, will be made from the Self-Insured Guaranty Pool. Any self-insured employer who fails the analytical financial review will also be required to post security to the Guaranty Pool on any workers' compensation liabilities incurred after July 1, 2004. The Self-Insured Guaranty Pool is funded through quarterly assessments to self-insured employers and the proceeds received from the security held. To the extent a self-insured employer cannot meet its obligations, the self-insured pools remain contingently liable for all policy benefits. The amount has not been included in the estimated liabilities for unpaid claims and claim adjustment expenses because the likelihood of future self-insured defaults cannot be estimated. For financial statement presentation purposes, these funds, as well as the "Old Fund," are included as the Workers' Compensation Fund (WCF) in the Proprietary Funds' financial statements of the State.

Unpaid Claims Liabilities

The three major insurance funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimates of the claims liabilities include amounts for non-incremental claims adjustment expense. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not result in an exact amount. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. Accordingly, the actual incurred losses and loss adjustment expenses may vary significantly from the estimated amount included in the financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Information concerning the changes in those aggregate liabilities for the past two fiscal years is shown in the following table (expressed in thousands):

	BRIM		PEIA		WCF	
	2023	2022	2023	2022	2023	2022
Unpaid claims and claims adjustment expense liability at beginning of year	\$ 285,295	\$ 189,596	\$ 103,734	\$ 98,087	\$ 1,130,300	\$ 1,255,900
Incurred claims and claims adjustments expense:						
Provision for insured events of the current fiscal year	88,684	96,174	707,565	713,639	178	174
Increase (decrease) in provision for insured events of prior fiscal years	82,569	71,948	(6,680)	(4,320)	(5,727)	(35,347)
Amortization of discount	—	—	—	—	32,199	35,798
Total incurred claims and claims adjustment expense	171,253	168,122	700,885	709,319	26,650	625
Payments:						
Claims and claims adjustment expense attributable to insured events of the current fiscal year	15,123	16,970	615,350	617,247	38	9
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	74,745	55,453	87,990	86,425	114,712	126,216
Total payments	89,868	72,423	703,340	703,672	114,750	126,225
Total unpaid claims and claims adjustment expense liability, end of year	\$ 366,680	\$ 285,295	\$ 101,279	\$ 103,734	\$ 1,042,200	\$ 1,130,300

The above PEIA payments are net of pharmacy rebates of \$121,754 and \$117,245 for the years ended June 30, 2023 and June 30, 2022, respectively.

Neither BRIM nor PEIA discount their estimated claims liability. If BRIM's unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2023 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately \$36.2 million as of June 30, 2023. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. At June 30, 2023, the total undiscounted claims liability for WCF approximated \$1.311 billion. GASB standards provide that, if discounting is used, the pool should use a rate that is determined by giving consideration to such factors as the pool's expected settlement rate for those liabilities and its expected investment yield rate. Based on the expected investment yields on WCF's investment portfolio, the estimated liability for unpaid claims and claim adjustment expenses (claims liability) has been discounted using a rate of 3%. If discounting of the WCF claims liability was limited to anticipated investment income, the claims liability would have decreased by approximately \$269 million to record approximately \$1.042 billion, and the WCF would report a total deficit decrease of approximately \$154 million at June 30, 2023.

The OIC management believes the discounted liability for unpaid claims and claims adjustment expenses is adequate. However, due to the inherent variability of the assumptions used to estimate this liability, actual incurred losses and loss adjustment expenses may vary significantly from the estimated amount included in the WCF's financial statements.

Each of the three risk pools has issued separate, audited financial reports on its operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract, if applicable, and ten-year claim development information.

Complete financial statements of the individual insurance enterprise funds, including additional detailed disclosures, can be obtained directly from their respective administrative offices:

Board of Risk and Insurance Management
1124 Smith Street
Suite 4300
Charleston, WV 25301

Workers' Compensation Fund
c/o Offices of the Insurance Commissioner
900 Pennsylvania Avenue
Charleston, WV 25302

Public Employees Insurance Agency
601 57th St., SE
Suite 2
Charleston, WV 25304



NOTE 17

COMMITMENTS AND CONTINGENCIES

Environmental Protection Claims

The State, through the Department of Environmental Protection (DEP), maintains several environmental protection programs, including a bonding program for coal operators for mine reclamation; an abandoned oil and gas well bonding program; a Landfill Closure Assistance Program (LCAP); and an underground storage tank program. Under such programs, the State charges various fees, premiums, and other assessments, and sets bonding amounts that operators are required to maintain to ensure that funds are available in the event that the operator is unable to fulfill its environmental protection responsibilities. Based upon the State’s estimate of the liability for incurred losses under the programs, the bonding amounts and funding structures established by the State have proven inadequate to fund the actual costs of environmental protection that the State has incurred in acceptance of the related insurance risk. As a result, the State has been required at various times to increase fees and bonding rates. Administrative changes in permitting regulations governing the industries and businesses benefiting from the State’s maintenance of such environmental protection programs are constantly under review.

Management has estimated the total cost at current dollars of remediation efforts to approximate \$260 million at June 30, 2023. The estimated remediation costs are not expected to be liquidated by expendable available financial resources, so the obligation is reported as a liability in the governmental activities on the statement of net position. As such, the State has recorded in governmental activities the following liabilities related to the above programs at June 30, 2023 (expressed in thousands):

	Balance			Balance	Amount
	June 30, 2022	Additions	Reductions	June 30, 2023	Due
					Within
					One Year
Mine Reclamation Program	\$ 209,358	\$ —	\$ 24,942	\$ 184,416	\$ 29,348
Oil and Gas Well Program	2,936	1,249	—	4,185	4,185
Landfill Closure Assistance Program	75,513	—	5,086	70,427	3,322
Underground Storage Tanks	1,452	—	250	1,202	—
Total Environmental Liability	\$ 289,259	\$ 1,249	\$ 30,278	\$ 260,230	\$ 36,855

The nature of the environmental liabilities requires the use of estimates and assumptions by management. Accordingly, it is at least reasonably possible that a significant change in the estimate will occur in the near term, resulting from various factors, including inflation, deflation, technology, assumption changes, or change in applicable laws or regulations.

Mine Reclamation Program

The Special Reclamation Program was created to enable compliance with a federal mandate that allows the State to operate an alternative bonding program to ensure that mining sites are reclaimed in accordance with federal and state regulations. This program created funds

for reclamation costs if the operator does not perform the reclamation and the respective bond is forfeited by the operator. In addition, the State also accrues for active water treatment sites under this program. The State's estimated liability for these water treatment sites assumes a 20-year treatment period until the sites are properly reclaimed since the treatment costs beyond a 20-year period cannot be reasonably estimated. The actual length of water treatment and the actual ultimate liability could differ significantly from this estimate.

Forfeited operator bonds, as well as a tax imposed on clean mined coal, currently 27.9 cents per ton, are set aside to fund this program. The Special Reclamation Fund plans to make expenditures for reclamation and water treatment systems as more funding becomes available. The Legislature further established a Special Reclamation Fund Advisory Council (the Council). The Council's role is to develop a financial plan that ensures long-term stability of the special reclamation program. The Legislature further requires actuarial studies of the fund's fiscal soundness every two years.

Landfill Closure Assistance Program (LCAP)

The LCAP was established to provide landfill closure assistance to owners/permittees or landfills that were required to cease operations pursuant to certain statutory closure deadlines for non-composite-lined facilities. The program designs and constructs all closure-related activities necessary to provide sufficient leachate management, sediment and erosion control, gas management, groundwater monitoring, and final cover cap on non-composite lined landfills, as funds are available. The LCAP began with 28 landfills. Four landfills have been added to the original inventory by the legislative process and one in 2015. There is one landfill left to be closed. As of June 30, 2023, the liability is estimated at \$70 million and is projected to be paid through fiscal year 2056.

Other Contingencies

In addition to the environmental protection claims, the State has recorded an obligation in the amount of \$116 million, of which \$19.6 million is a current obligation, for the payment of other contingencies. Such other contingencies include, but are not limited to, unclaimed property and Division of Highway claims. These claims are based on management's evaluation of the nature of such claims and consideration of historical loss experience for the respective types of action. Certain other claims may be covered by the State's insurance carrier under its general liability or medical malpractice coverage.

An employer who has been granted self-insured status for workers' compensation insurance coverage must post security with the WCF for an actuarially determined amount of its liabilities incurred with dates of injury prior to July 1, 2004. Payments made for claims of employees of defaulted self-insured employers for injuries prior to July 1, 2004, will be made from the Self-insured Security Pool established by Senate Bill 1004. The assets of the Security Pool consist of the proceeds received from the security held by the WCF and any necessary assessments made to active self-insured employers for the default of a self-insured employer.

Payments for the injuries of defaulted self-insured employers incurred after July 1, 2004, will be made by the Self-insured Guaranty Pool; however, any self-insured employer who fails the analytical financial review will also be required to post security to the Guaranty Pool on any workers' compensation liabilities incurred after July 1, 2004. The Self-insured Guaranty Pool

is funded through quarterly assessments to self-insured employers and the proceeds received from the security held. To the extent a self-insured employer cannot meet its obligations under the Law, the two self-insured pools previously discussed remain contingently liable for all policy benefits. The only sources of revenue permitted under the Law to fund the Security Pool and the Guaranty Pool must be obtained from self-insured employers. Self-insured employers are considered joint and severally liable for the obligations of a defaulted self-insured employer. The amount has not been included in the estimated liabilities for unpaid claims and claim adjustment expense because the likelihood of future self-insurer defaults has not been estimated.

It is not possible to predict with certainty the ultimate outcome of all lawsuits or claims pending or threatened against the State, including those discussed above, some of which involve claims for significant amounts. Based on the current status of all legal proceedings for which accruals have not been made in the State's financial statements, it is the opinion of management and the Attorney General that the proceedings will not have a material adverse impact on the State's overall financial position. However, depending on the amount and timing of the resolution, some or all of these matters could materially affect the State's change in financial position or cash flows for a particular period.

Federal Grants

Payments received under the reimbursement arrangements with agencies of the federal government are subject to retroactive audit and adjustment. Management believes that adequate provisions have been made for reasonable adjustments that may result from regulatory reviews and disallowed costs. However, laws and regulations governing these programs are extremely complex and subject to different interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount. Management believes it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusions.

The State, including its institutions of higher education, receives significant financial assistance from the U.S. Government in the form of grants and other federal awards. Entitlement to those resources is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for allowable purposes. The State provides for estimates of any material disallowance arising in connection with the operation of these federally funded programs as such amounts become reasonably estimable. Federal awards are subject to financial and compliance audits under either the federal Single Audit Act or by grantor agencies of the federal government or their designees. The ultimate obligations that may arise from cost disallowance or sanctions as a result of those audits and the related impact on the financial statements of the State or its component units are unknown. The ultimate resolution of the regulatory review process could materially impact the State's future change in financial position or cash flows in a particular period.

Construction and Other Commitments

(Expressed in Thousands)

	<u>Amount Committed</u>	<u>Commitment</u>
Governmental Funds:		
Transportation	\$ 2,053	Construction
Enterprise Funds:		
Drinking Water Treatment Revolving Fund	49,177	Committed for loans
Water Pollution Control Revolving Fund	29,287	Committed for loans
West Virginia Infrastructure and Jobs Development Council	111,894	Funding of water and economic development projects
Discretely Presented Component Units:		
West Virginia Lottery	5,783	Capital assets and construction
Economic Development Authority	454,510	Committed for loans
Housing Development Fund	32,057	Committed for loans
Parkways Authority	237,201	Turnpike improvements
Higher Education	12,272	Construction
School Building Authority	13,500	Acquisition, construction and maintenance grants to county school boards
Municipal Pensions Oversight Board	933	Committed for Loans

The Department of Transportation's Inspection Program (DOT) has reviewed information on obsolete and deficient bridges. Transportation is concerned about safety and tries to prioritize bridges for repair and replacement based on engineering assessments. Transportation's long-range plans to address this issue will be impacted by actions that may be taken by both the federal and state government, including funding levels provided for this purpose, which cannot be estimated at this time.

West Virginia University (WVU) has signed an agreement providing for the purchase of steam for a remaining period of five years. Under the agreement, WVU has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. Payments in future years will be dependent on actual operating costs and other cost indices in those years.

The West Virginia Providing Real Opportunities for Maximizing In-State Student Excellence (PROMISE) scholarship program provides scholarships to students within the West Virginia secondary education system who meet the scholarship requirements. The basic scholarship requirements include maintaining a 3.0 grade average, receiving an ACT composite score of 21 with a minimum sub-score of 19 in each of the four subject areas, and enrolling in a college or university in West Virginia. The program will pay for tuition and fees, and had \$12.8 million at June 30, 2023, to fund the program obligations. Subsequent to year-end, the program received \$2.9 million from the Lottery and \$10.1 million in general revenue.

NOTE 18

SUBSEQUENT EVENTS

On July 19, 2023, the Housing Development Fund issued the Housing Finance 2023 Series B bonds in the amount of \$50 million. On October 10, 2023, the Housing Development Fund issued the Housing Finance 2023 Series C bonds in the amount of \$60 million. Bond proceeds will be used to originate single family mortgage loans.

On July 26, 2023, the Housing Development Fund withdrew \$15 million from the line of credit with United Bank.

On September 30, 2023, The West Virginia Division of Corrections entered into an equipment lease purchase/contract with Banc of America Public Capital Corporation for the financing of the Guaranteed Energy Savings Program- Performance Contract with Johnson Controls in the amount of \$38,275,000.

On October 30, 2023, The West Virginia Division of Highways was ordered to pay \$40,500,000 to Kokosing Construction Company for a remediation settlement related to the H1 Corridor construction project.

Required Supplementary Information (RSI)



Budgetary Comparison
Schedule

Notes to RSI

Budget-to-GAAP
Reconciliation

Pension Information

OPEB Information

Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	General Revenue Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Personal Income	\$ 2,190,000	\$ 2,190,000	\$ 2,663,568	\$ 473,568
Consumer Sales	1,510,488	1,510,488	1,750,434	239,946
Severance	250,000	250,000	946,486	696,486
Corporate Income/Business Franchise	150,000	150,000	419,965	269,965
Business and Occupation	100,000	100,000	116,747	16,747
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	299,100	285,100	311,803	26,703
Excess Lottery Transfer	65,000	65,000	65,634	634
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	9,066	9,066	9,206	140
Departmental Collections	24,900	24,900	26,888	1,988
Interest Income	5,970	5,970	132,456	126,486
Other	31,500	31,500	40,104	8,604
Industrial Access Road Transfer	—	—	—	—
Total Revenues	4,636,024	4,622,024	6,483,291	1,861,267
Expenditures:				
Legislature	26,115	26,115	22,934	3,181
Judicial	149,928	149,928	143,528	6,400
Executive	53,021	238,021	58,678	179,343
Department of Administration	107,878	178,378	132,644	45,734
Bureau of Commerce	64,316	69,316	64,294	5,022
Department of Tourism	7,000	14,000	7,895	6,105
Department of Economic Development	12,147	727,647	716,673	10,974
Department of Environmental Protection	6,782	56,782	56,607	175
Education	2,452,782	2,452,204	2,419,965	32,239
Health and Human Resources	1,170,286	1,193,568	1,155,612	37,956
Department of Homeland Security	478,451	504,301	440,601	63,700
Revenue	32,811	32,811	28,935	3,876
Transportation	5,249	158,249	152,302	5,947
Veteran's Assistance	20,635	21,730	12,695	9,035
Bureau of Senior Services	19,613	19,613	19,613	—
Miscellaneous Boards and Commissions	18,130	20,755	16,805	3,950
Department of Arts, Culture, & History	10,559	11,158	10,256	902
Total Expenditures	4,635,703	5,874,576	5,460,037	414,539
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	321	(1,252,552)	1,023,254	1,446,728
Expenditures from Prior Year Appropriations	597,408	597,408	184,150	413,258
Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(597,087)	(1,849,960)	839,104	2,689,064
Budgetary Fund Balance, Beginning of Year, As Adjusted	2,014,078	2,014,078	2,014,078	—
Adjustments for Accruals, etc.	—	—	516	516
Budgetary Fund Balance, End of Year	\$ 1,416,991	\$ 164,118	\$ 2,853,698	\$ 2,689,580

Federal Revenue				State Road			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	430,000	430,000	432,442	2,442
—	—	—	—	—	—	—	—
—	—	—	—	300,000	300,000	317,936	17,936
—	—	—	—	—	—	—	—
10,290,871	10,229,451	6,888,629	(3,340,822)	736,100	736,100	838,207	102,107
—	—	—	—	180,484	180,484	145,014	(35,470)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	55,240	55,240	43,739	(11,501)
—	—	—	—	3,000	3,000	3,000	—
<u>10,290,871</u>	<u>10,229,451</u>	<u>6,888,629</u>	<u>(3,340,822)</u>	<u>1,704,824</u>	<u>1,704,824</u>	<u>1,780,338</u>	<u>75,514</u>
1,533	1,100	314	786	—	—	—	—
4,000	4,000	2,569	1,431	—	—	—	—
1,389,756	1,402,179	696,077	706,102	—	—	—	—
—	—	—	—	—	—	—	—
188,830	222,980	93,785	129,195	—	—	—	—
5,148	5,148	1,718	3,430	—	—	—	—
309,608	309,608	50,598	259,010	—	—	—	—
192,757	389,415	85,173	304,242	—	—	—	—
1,884,254	1,887,998	714,833	1,173,165	—	—	—	—
5,655,898	6,411,890	5,734,497	677,393	—	—	—	—
107,449	107,750	38,336	69,414	—	—	—	—
3,000	3,000	76	2,924	—	—	—	—
32,508	32,608	17,104	15,504	1,496,555	1,838,255	1,666,097	172,158
11,510	12,260	8,361	3,899	—	—	—	—
31,007	31,007	17,275	13,732	—	—	—	—
106,876	111,884	55,578	56,306	—	—	—	—
16,652	17,927	8,395	9,532	—	—	—	—
<u>9,940,786</u>	<u>10,950,754</u>	<u>7,524,689</u>	<u>3,426,065</u>	<u>1,496,555</u>	<u>1,838,255</u>	<u>1,666,097</u>	<u>172,158</u>
350,084	(721,303)	(636,060)	85,243	208,269	(133,431)	114,241	(96,644)
—	—	—	—	—	—	—	—
350,084	(721,303)	(636,060)	85,243	208,269	(133,431)	114,241	(96,644)
761,438	761,438	761,438	—	12,541	(252,975)	269,758	522,733
—	—	(14,403)	(14,403)	—	—	—	—
<u>\$ 1,111,522</u>	<u>\$ 40,135</u>	<u>\$ 110,975</u>	<u>\$ 70,840</u>	<u>\$ 220,810</u>	<u>\$ (386,406)</u>	<u>\$ 383,999</u>	<u>\$ 426,089</u>

Continued

Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)
(Continued)

	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes:				
Personal Income	\$ —	\$ —	\$ —	\$ —
Consumer Sales	—	—	—	—
Severance	—	—	—	—
Corporate Income/Business Franchise	—	—	—	—
Business and Occupation	—	—	—	—
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	—	—	—	—
Excess Lottery Transfer	—	—	—	—
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	—	—	—	—
Departmental Collections	2,507,100	2,613,139	1,866,331	(746,808)
Interest Income	—	—	—	—
Other	—	—	—	—
Industrial Access Road Transfer	—	—	—	—
Total Revenues	2,507,100	2,613,139	1,866,331	(746,808)
Expenditures:				
Legislature	2,700	2,637	1,118	1,519
Judicial	1,850	2,050	1,341	709
Executive	68,640	67,598	39,371	28,227
Department of Administration	196,801	208,801	160,265	48,536
Bureau of Commerce	45,524	54,596	29,221	25,375
Department of Tourism	6,844	6,844	4,751	2,093
Department of Economic Development	242,083	242,083	6,374	235,709
Department of Environmental Protection	66,099	66,099	32,150	33,949
Education	247,820	272,033	225,681	46,352
Health and Human Resources	673,868	729,283	517,811	211,472
Department of Homeland Security	45,666	47,314	20,080	27,234
Revenue	612,341	718,441	433,630	284,811
Transportation	11,767	11,767	8,204	3,563
Veteran's Assistance	1,964	3,464	3,462	2
Bureau of Senior Services	63,715	84,265	76,884	7,381
Miscellaneous Boards and Commissions	147,271	145,394	119,032	26,362
Department of Arts, Culture, & History	1,228	20,115	15,305	4,810
Total Expenditures	2,436,181	2,682,784	1,694,680	988,104
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	70,919	(69,645)	171,651	241,296
Expenditures from Prior Year Appropriations	—	—	45,169	45,169
Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	70,919	(69,645)	126,482	196,127
Budgetary Fund Balance, Beginning of Year	2,867,621	2,867,621	2,867,621	—
Adjustments for Accruals, etc.	—	—	(533)	(533)
Budgetary Fund Balance, End of Year	\$ 2,938,540	\$ 2,797,976	\$ 2,993,570	\$ 195,594

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

Budgetary Reporting

The State's annual budget is prepared on a cash basis, modified only at year-end to allow for a 31-day period for the payment of vendor invoices for goods and services previously encumbered. Appropriations expire or lapse at the end of this period.

Budgetary Process

Appropriation requests for the upcoming fiscal year are submitted to the State Budget Office (Budget) by September 1. Budget conducts budget hearings and reviews revenue estimates for recommendation and preparation of the proposed budget. The Governor presents the proposed budget to the State Legislature in January. Included in that budget proposal is the Governor's official revenue estimate for the upcoming fiscal year. To maintain a balanced budget, the Legislature can appropriate expenditures only to the level of the Governor's official revenue estimate and prior year fund balance.

The Legislature also holds budget hearings, considers the effect of other proposed legislation, and gathers other information during its 60-day session, which occurs January through March of each calendar year. During the last days of the legislative session, the Legislature passes the budget and the Governor approves, vetoes, or allows the budget to become law without signing.

In the event that there is a shortfall of General Revenue Fund collections during the year, the Governor may impose a spending reduction. In 1994, the Legislature created a Revenue Shortfall Reserve Fund (Rainy Day Fund) designed to prevent a spending reduction. By law, the first 50% of the General Revenue Fund surplus for a fiscal year is set aside in a reserve or Rainy Day Fund not to exceed 13% of the total appropriations from General Revenue for that year. This fund may be used to offset a shortfall of revenues which would otherwise require the Governor to impose expenditure reductions.

In the event of higher than estimated revenue collections throughout the year, supplemental appropriation requests may be made to the Legislature. In FY 2022, Appropriated Special Revenue and Federal Funds were increased by total supplemental appropriations of \$3 billion. During the budget process, the Legislature may also decide to reappropriate certain unexpended budgetary appropriations for expenditure in the next year. Accounts reappropriated generally relate to special activities or projects that may require several years to complete. Reappropriated prior year general revenue appropriations of \$597 million are reported as "Expenditures From Prior Year Appropriations."

In addition to the above, in the event of a General Revenue budget surplus from the previous fiscal year, additional appropriation requests may be made to the Legislature. Appropriations from 2022 General Revenue were increased by approximately \$19.85 million for surplus appropriations. The \$19.85 million surplus appropriations are also reported as "Expenditures From Prior Year Appropriations".

After the budget is legally enacted, certain appropriations from General Revenue may be altered or transferred within each Cabinet Secretariat. The transfers may not exceed more

than 5% of the funds appropriated to any one agency or board, and are altered at the budgetary activity level. Other specific transfers are allowed in all the budgetary funds from the object classes of personal services and unclassified budget object classes to employee benefits or from personal services and employee benefits to other budget object classes, and are not limited to Secretariat authority.

The budget laws provide for the ability of the Governor to increase the appropriations of the budgetary Appropriated Special Revenue Funds and the Federal Funds when the Legislature is not in session. Detailed spending plans, identification of new revenue sources, and justifications are required for review and approval.

Budgetary Control

The State Legislature annually appropriates those general government activities determined to be important to controlling the financial operations of the State. The Legislature appropriates expenditures for those defined budgetary activities of personal services, current expenses, repairs, and other assets, often further defined by the object classes of personal services, employee benefits, equipment repairs and alterations, or unclassified.

The State's accounting system controls expenditures for appropriated accounts at the budgetary activity level on a predefined quarterly basis. The State Auditor exercises control over spending at the budgetary activity level on an annual appropriation basis.

Budget further monitors the rate and nature of spending for all budgetary accounts by requiring the organization responsible for the budgeted activities to submit annual spending plans reflecting further details on their expected quarterly spending patterns and the types of expenditures for the budgeted accounts. From these spending plans, Budget monitors and limits expenditures within predefined quarterly allotments. Expenditures during a quarter may not exceed the amount of the approved allotment, unless the Governor approves the expenditure of a larger amount. Any amounts remaining unexpended at the close of a quarter are available for reallocation and expenditure during any succeeding quarter of the same fiscal year.

Budget also utilizes encumbrance accounting to control purchase orders and other commitments. Under the budgetary process, unexpended appropriations and encumbrances expire at the end of the 31-day period following each fiscal year-end. All unpaid invoices and claims after that date must be submitted by the vendor to the State Court of Claims, unless the related activity has been reappropriated by the Legislature.

Budgetary Funds

The State uses four budgetary fund groups to summarize accounts or activities which have been legally appropriated. The budgetary fund groups are described as follows:

General Revenue Fund – consists primarily of the major tax revenues of the State, such as Consumer Sales Tax, Personal Income Tax, Business and Occupation Tax, Corporate Net Income Tax, and Severance Tax. The General Revenue Fund supports the operation of certain primary government activities and certain other agencies.

Federal Fund – consists of any financial awards made to any state agency by the U.S. Government, whether a loan, grant, subsidy, augmentation, reimbursement or any other form of such awards, including state funds used for federal matching purposes.

Road Fund – consists of revenues from gasoline and other motor fuel excise and license taxes, motor vehicle registration and license fees, and all other revenue derived from motor vehicles or motor fuel. The Road Fund is appropriated by the Legislature and used solely for construction, repair, and maintenance of public highways, and also for the payment of interest and principal on all road bonds.

Appropriated Special Revenue Fund – consists of individual accounts created for special purposes. These accounts generate revenue derived from established rates or fees. The spending within these accounts is limited to the amount collected or the amount appropriated by the Legislature, whichever is less.

The State has other special revenue accounts which are not appropriated. These accounts are special accounts which derive revenues from special fees or charges, or exist for internal agency purposes, such as payroll clearing accounts, cost allocations, etc., but are not subject to specific legislative appropriation. Accordingly, these accounts have not been reported in the State’s budgetary comparison schedule.

2023 Budgetary Reporting

The State's budgetary General Revenue Fund balance at July 1, 2022, has been adjusted as follows (expressed in thousands):

General Revenue Fund:	
Beginning Fund Balance	\$ 1,962,310
Prior Year Refunds	242
Transfer from Expired Funds	52,050
Adjustment	(524)
Adjusted Beginning Fund Balance	<u>\$ 2,014,078</u>

Budgetary Reporting and GAAP

Because the budgetary basis differs from accounting principles generally accepted in the United States, budget and actual amounts in the accompanying Budgetary Comparison Schedule are presented on the budgetary basis. A more detailed budgetary basis report, Supplementary Information to the State of West Virginia Annual Comprehensive Financial Report, is produced for internal purposes to demonstrate budgetary compliance and is available at the Financial Accounting and Reporting Section for public inspection. A reconciliation that compares the excess of revenues over expenditures on a budgetary basis for the year ended June 30, 2023, to the excess of revenues and other financing sources over expenditures and other financing uses presented in conformity with accounting principles generally accepted in the United States is set forth in the following schedule.

Required Supplementary Information
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

Budgetary Funds	General Revenue Fund	Federal Fund	State Road Fund	Appropriated Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 6,483,291	\$ 6,888,629	\$ 1,780,338	\$ 1,866,331
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP revenues	(7,299,575)	—	—	—
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	64,764	—	—	—
Basis of Accounting Difference	920,782	—	(1,551)	—
Reclassifications:				
Nonappropriated Budgetary Fund's Revenue included as revenue/transfers in the GAAP General, Transportation, and Other Funds	8,197,699	—	59,229	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	1,111,552	—	8,029	(1,866,331)
Budgetary federal funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	6,759,151	(6,888,629)	(18,136)	—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	\$ 16,237,664	\$ —	\$ 1,827,909	\$ —
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,644,187	\$ 7,524,689	\$ 1,666,097	\$ 1,739,849
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP expenditures	(7,299,575)	—	—	—
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(200,788)	—	—	—
Basis of Accounting Difference	579,848	—	(225,079)	—
Reclassifications:				
Nonappropriated Budgetary Fund's exp./transfers out included as exp. in the GAAP General, Transportation, WV Infrastructure, and Other Funds	8,383,796	—	181,930	—
Budgetary general revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	(205,277)	—	150,000	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	946,944	—	8,140	(1,739,849)
Budgetary federal revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	7,401,294	(7,524,689)	17,664	—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	\$ 15,250,429	\$ —	\$ 1,798,752	\$ —



**Schedule of the State's Proportionate Share
of the Net Pension Liability (Asset)
Multiple-Employer Cost Sharing Plans
June 30, 2023
(Expressed in Thousands)**

	PERS			
	2023	2022	2021	2020
State's proportion of the net pension liability	66.52 %	67.64 %	68.25 %	67.49 %
State's proportionate share of the net pension liability (asset)	\$ 99,056	\$ (593,849)	\$ 360,808	\$ 145,121
State's covered payroll	\$ 1,075,460	\$ 1,076,120	\$ 1,056,970	\$ 985,020
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	9.21 %	(55.18)%	34.14 %	14.73 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.24 %	111.07 %	92.89 %	96.99 %

Note: The schedule is intended to show ten years. Additional years will be added as they become available.

2019	2018	2017	2016	2015
66.37 %	66.88 %	67.57 %	67.99 %	68.33 %
\$ 171,404	\$ 288,670	\$ 621,010	\$ 379,669	\$ 252,194
\$ 923,191	\$ 921,592	\$ 937,259	\$ 923,143	\$ 915,586
18.57 %	31.32 %	66.26 %	41.13 %	27.54 %
96.33 %	93.67 %	86.11 %	91.29 %	93.98 %

**Schedule of the State's Proportionate Share
of the Net Pension Liability (Asset)
Multiple-Employer Cost Sharing Plans
June 30, 2023
(Expressed in Thousands)**

	TRS			
	2023	2022	2021	2020
State's proportion of the net pension liability	0.88 %	0.98 %	1.09 %	1.07 %
State's proportionate share of the net pension liability	\$ 22,689	\$ 15,246	\$ 35,091	\$ 31,747
State's covered payroll	\$ 358,650	\$ 351,673	\$ 330,830	\$ 307,841
State's proportionate share of the net pension liability as a percentage of its covered payroll	6.33 %	4.34 %	10.61 %	10.31 %
Plan fiduciary net position as a percentage of the total pension	77.78 %	86.38 %	70.89 %	72.64 %

	TRS - Special Funding Situation			
	2023	2022	2021	2020
Proportion of the net	93.66 %	94.28 %	94.43 %	94.34 %
Proportionate share of the net pension liability	\$ 2,386,387	\$ 1,458,109	\$ 3,006,052	\$ 2,775,073

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2019	2018	2017	2016	2015
1.06 %	1.28 %	1.46 %	1.35 %	1.35 %
\$ 33,154	\$ 44,163	\$ 60,156	\$ 46,931	\$ 46,438
\$ 319,360	\$ 282,077	\$ 312,801	\$ 306,699	\$ 343,570
6.08 %	15.66 %	19.23 %	15.30 %	13.52 %
71.20 %	67.85 %	61.42 %	66.25 %	65.95 %
2019	2018	2017	2016	2015
93.83 %	92.86 %	92.09 %	93.44 %	94.15 %
\$ 2,929,645	\$ 3,208,171	\$ 3,784,772	\$ 3,237,919	\$ 3,248,227

Required Supplementary Information
Schedule of State Contributions – PERS
Last Nine Fiscal Years
(Expressed in Thousands)

	PERS				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 107,160	\$ 107,546	\$ 107,612	\$ 105,517	\$ 98,502
Contributions in relation to the contractually required contribution	107,160	107,546	107,612	105,517	98,502
Contribution deficiency (excess)	<u>\$ —</u>				
State’s covered payroll	\$1,190,300	\$1,075,460	\$1,076,120	\$1,055,170	\$ 985,020
Contributions as a percentage of covered payroll	9.00 %	10.00 %	10.00 %	10.00 %	10.00 %

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2018	2017	2016	2015	2014
\$ 101,551	\$ 110,591	\$ 126,530	\$ 129,240	\$ 132,760
101,551	110,591	126,530	129,240	132,760
<u>\$ —</u>				
\$ 923,191	\$ 921,592	\$ 37,259	\$ 923,143	\$ 915,586
11.00 %	12.00 %	13.50 %	14.00 %	14.50 %

Required Supplementary Information
Schedule of State Contributions – TRS
Last Nine Fiscal Years
(Expressed in Thousands)

	TRS – State				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 4,558	\$ 4,652	\$ 4,361	\$ 4,980	\$ 5,104
Contributions in relation to the contractually required contribution	4,558	4,652	4,361	4,980	5,104
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 369,649	\$ 358,650	\$ 351,673	\$ 330,830	\$ 307,841
Contributions as a percentage of covered payroll	1.23 %	1.30 %	1.24 %	1.51 %	1.66 %

	TRS – Special Funding Situation				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 415,496	\$ 452,149	\$ 389,692	\$ 436,598	\$ 442,726
Contributions in relation to the statutorily required contribution	415,496	452,149	389,692	436,598	442,726
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2018	2017	2016	2015	2014
\$ 5,118	\$ 5,780	\$ 6,043	\$ 6,662	\$ 6,922
5,118	5,780	6,043	6,662	6,922
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 319,360	\$ 282,077	\$ 312,801	\$ 306,699	\$ 343,570
1.60 %	2.05 %	1.93 %	2.17 %	2.01 %

2018	2017	2016	2015	2014
\$ 458,163	\$ 420,605	\$ 392,714	\$ 458,452	\$ 484,159
458,163	420,605	392,714	458,452	484,159
\$ —	\$ —	\$ —	\$ —	\$ —

Required Supplementary Information
Schedule of State Contributions – Single Employer Plans
Last Ten Fiscal Years
(Expressed in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
SPDDRS					
2023	\$ 47	\$ 40	\$ 7	290	13.79 %
2022	17,798	17,842	(44)	353	5,054.39 %
2021	16,648	16,699	(51)	349	4,784.81 %
2020	13,187	13,246	(59)	514	2,577.04 %
2019	15,162	15,595	(433)	1,527	1,021.28 %
2018	24,675	24,829	(154)	2,963	837.97 %
2017	16,875	17,155	(280)	3,181	528.30 %
2016	13,209	13,977	(768)	3,713	376.43 %
2015	20,860	21,668	(808)	5,120	423.20 %
2014	25,146	26,218	(1,072)	5,988	437.84 %
SPRS					
2023	\$ 12,937	\$ 8,100	\$ 4,837	38,809	20.87 %
2022	7,094	9,428	(2,334)	35,120	26.85 %
2021	9,778	7,928	1,850	34,946	22.69 %
2020	7,716	4,850	2,866	33,904	14.31 %
2019	4,180	4,556	(376)	30,938	14.73 %
2018	4,726	4,205	521	32,291	13.02 %
2017	4,427	3,657	770	31,582	11.58 %
2016	3,402	3,887	(485)	31,792	12.23 %
2015	3,183	4,060	(877)	29,574	13.73 %
2014	3,363	4,049	(686)	27,701	14.62 %
JRS					
2023	\$ 797	\$ 797	\$ —	11,289	7.06 %
2022	742	1,052	(310)	10,504	10.02 %
2021	838	886	(48)	9,752	9.09 %
2020	791	791	—	9,752	8.11 %
2019	779	779	—	9,374	8.31 %
2018	735	735	—	9,500	7.74 %
2017	709	739	(30)	9,122	8.10 %
2016	739	739	—	8,870	8.33 %
2015	2,845	2,845	—	9,248	30.76 %
2014	2,456	2,456	—	8,870	27.69 %

Notes:

(1) Contributions for SPDDRS include employer contributions and other payments designated by WV State Code Section 15-2-26 - Payments to members for court attendance and mileage; rewards for apprehending wanted persons; fees for traffic accident reports and photographs; fees for criminal investigation reports and photographs; fees for criminal history record checks; and fees for criminal history record reviews and challenges or from any other sources designated by the superintendent.



Required Supplementary Information
Schedule of Changes in the State's
Net Pension Liability (Asset) and Related Ratios
Fiscal Years Ended June 30
(Expressed in Thousands)

	SPDDRS				
	2023	2022	2021	2020	2019
Total pension liability:					
Service cost	\$ 98	\$ 89	\$ 153	\$ 540	\$ 931
Interest	56,238	56,154	55,378	54,438	54,004
Difference between actual and expected experience	1,458	(672)	4,601	6,331	(2,218)
Assumption changes	—	22,231	—	—	—
Benefit payments	(51,447)	(50,228)	(49,225)	(47,551)	(45,529)
Net change in total pension liability	6,347	27,574	10,907	13,758	7,188
Total pension liability – beginning	801,319	773,745	762,838	749,080	741,892
Total pension liability – ending (a)	807,666	801,319	773,745	762,838	749,080
Plan fiduciary net position:					
Contributions – employer	17,842	16,699	13,246	15,595	24,829
Contributions – member	26	34	35	110	186
Net investment income	(51,130)	208,656	21,252	38,174	60,939
Benefit payments	(51,447)	(50,228)	(49,225)	(47,551)	(45,529)
Administrative expense	(340)	(54)	(54)	(63)	(61)
Other	721	822	530	752	691
Net change in plan fiduciary net position	(84,328)	175,929	(14,216)	7,017	41,055
Plan fiduciary net position – beginning	851,533	675,604	689,820	682,803	641,748
Plan fiduciary net position – ending (b)	767,205	851,533	675,604	689,820	682,803
State's net pension liability (asset) – ending (a) - (b)	<u>\$ 40,461</u>	<u>\$ (50,214)</u>	<u>\$ 98,141</u>	<u>\$ 73,018</u>	<u>\$ 66,277</u>
Plan fiduciary net position as a percentage of total pension liability	94.99 %	106.27 %	87.32 %	90.43 %	91.15 %
Covered payroll	\$ 353	\$ 349	\$ 514	\$ 1,527	\$ 2,963
State's net pension liability (asset) as a percentage of covered payroll	11,462.04 %	14,387.97 %	19,093.58 %	4,781.79 %	2,236.82 %
Information presented based upon measurement date of:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

	2018	2017	2016	2015
\$	1,071	\$ 1,263	\$ 1,774	\$ 2,215
	53,131	51,913	50,748	49,778
	47	6,283	4,344	—
	1,961	—	—	—
	(43,325)	(41,969)	(39,708)	(37,565)
	12,885	17,490	17,158	14,428
	729,007	711,517	694,359	679,931
	741,892	729,007	711,517	694,359
	17,155	13,977	21,668	26,955
	362	320	445	545
	87,793	(1,230)	22,866	90,872
	(43,325)	(41,969)	(39,708)	(37,565)
	(45)	(48)	(51)	(52)
	847	590	861	—
	62,787	(28,360)	6,081	80,755
	578,798	607,158	601,077	520,322
	641,585	578,798	607,158	601,077
\$	<u>100,307</u>	<u>\$ 150,209</u>	<u>\$ 104,359</u>	<u>\$ 93,282</u>
	86.48 %	79.40 %	85.33 %	86.57 %
\$	3,181	\$ 3,713	\$ 5,120	\$ 5,988
	3,153.32 %	4,045.49 %	2,038.28 %	1,557.82 %
	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Required Supplementary Information
Schedule of Changes in the State's
Net Pension Liability (Asset) and Related Ratios
Fiscal Years Ended June 30
(Expressed in Thousands)

	SPRS				
	2023	2022	2021	2020	2019
Total pension liability:					
Service cost	\$ 9,258	\$ 8,794	\$ 8,533	\$ 7,456	\$ 7,617
Interest	21,236	19,210	16,918	14,654	13,496
Change of benefit terms	15,809	—	—	12,731	—
Difference between actual and expected	3,451	513	7,888	(3,513)	(3,610)
Assumption changes	—	12,476	—	—	—
Benefit payments	(5,743)	(3,599)	(2,498)	(1,944)	(1,842)
Net change in total pension liability	44,011	37,394	30,841	29,384	15,661
Total pension liability – beginning	286,528	249,134	218,293	188,909	173,248
Total pension liability – ending (a)	330,539	286,528	249,134	218,293	188,909
Plan fiduciary net position:					
Contributions – employer	9,428	7,928	4,850	4,556	4,205
Contributions – member	4,395	4,185	4,168	3,905	3,621
Net investment income	(19,815)	72,138	7,010	11,730	16,303
Benefit payments	(5,743)	(3,599)	(2,498)	(1,944)	(1,842)
Administrative expense	(120)	(59)	(67)	(60)	(60)
Other	—	—	—	—	—
Net change in plan fiduciary net position	(11,855)	80,593	13,463	18,187	22,227
Plan fiduciary net position – beginning	301,158	220,565	207,102	188,915	166,688
Plan fiduciary net position – ending (b)	289,303	301,158	220,565	207,102	188,915
State's net pension liability (asset) – ending (a) - (b)	\$ 41,236	\$ (14,630)	\$ 28,569	\$ 11,191	\$ (6)
Plan fiduciary net position as a percentage of total pension liability	87.52 %	105.11 %	88.53 %	94.87 %	100.00 %
Covered payroll	\$ 35,120	\$ 34,946	\$ 30,938	\$ 30,938	\$ 32,291
State's net position liability (asset) as a percentage of covered payroll	117.41 %	(41.86)%	84.25 %	36.17 %	(0.02)%
Information presented based upon measurement date of:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

	2018	2017	2016	2015
\$	6,827	\$ 6,750	\$ 6,337	\$ 5,890
	11,410	10,113	9,024	8,021
	—	—	—	—
	(765)	1,636	(201)	—
	11,192	—	—	—
	(1,454)	(1,071)	(1,051)	(913)
	27,210	17,428	14,109	12,998
	146,038	128,610	114,501	101,503
	173,248	146,038	128,610	114,501
	3,657	3,887	4,060	4,049
	3,634	3,755	3,609	3,630
	22,346	91	4,972	17,756
	(1,454)	(1,071)	(1,051)	(913)
	(64)	(47)	(45)	(42)
	—	(163)	—	—
	28,119	6,452	11,545	24,480
	138,569	132,117	120,572	96,092
	166,688	138,569	132,117	120,572
\$	<u>6,560</u>	<u>\$ 7,469</u>	<u>\$ (3,507)</u>	<u>\$ (6,071)</u>
	96.21 %	94.89 %	102.73 %	105.30 %
\$	31,582	\$ 31,792	\$ 29,574	\$ 27,701
	20.77 %	23.49 %	(11.86)%	(21.92)%
	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Required Supplementary Information
Schedule of Changes in the State's
Net Pension Liability (Asset) and Related Ratios
Fiscal Years Ended June 30
(Expressed in Thousands)

	JRS				
	2023	2022	2021	2020	2019
Total pension liability:					
Service cost	\$ 2,590	\$ 2,358	\$ 2,640	\$ 2,406	\$ 2,587
Interest	7,905	8,735	8,711	8,608	8,539
Difference between actual and expected experience	(2,457)	(19,046)	(5,885)	(4,959)	(6,054)
Assumption changes	—	5,218	—	—	962
Benefit payments	(5,046)	(4,810)	(4,897)	(4,933)	(4,932)
Net change in total pension liability	2,992	(7,545)	569	1,122	1,102
Total pension liability – beginning	108,974	116,519	115,950	114,828	113,726
Total pension liability – ending (a)	111,966	108,974	116,519	115,950	114,828
Plan fiduciary net position:					
Contributions – employer	1,052	886	791	779	735
Contributions – member	319	295	301	331	364
Net investment income	(17,631)	68,611	6,850	12,085	18,373
Benefit payments	(5,046)	(4,810)	(4,897)	(4,933)	(4,932)
Administrative expense	(112)	(10)	(10)	(11)	(8)
Other	—	—	—	(86)	—
Net change in plan fiduciary net position	(21,418)	64,972	3,035	8,165	14,532
Plan fiduciary net position – beginning	280,660	215,688	212,653	204,488	189,956
Plan fiduciary net position – ending (b)	259,242	280,660	215,688	212,653	204,488
State's net pension liability (asset) – ending (a) - (b)	\$ (147,276)	\$ (171,686)	\$ (99,169)	\$ (96,703)	\$ (89,660)
Plan fiduciary net position as a percentage of total pension liability	231.54 %	257.55 %	185.11 %	183.40 %	178.08 %
Covered payroll	\$ 10,504	\$ 9,752	\$ 9,752	\$ 9,374	\$ 9,500
State's net pension liability (asset) as a percentage of covered payroll	(1,402.07)%	(1,760.52)%	(1,016.91)%	(1,031.61)%	(943.78)%
Information presented based upon measurement date of:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

	2018	2017	2016	2015
\$	2,466	\$ 2,681	\$ 2,812	\$ 2,819
	8,521	8,478	8,458	7,978
	(6,101)	(5,813)	(6,506)	—
	—	—	—	—
	(4,609)	(4,429)	(4,313)	(4,455)
	277	917	451	6,342
	113,449	112,532	112,081	105,739
	113,726	113,449	112,532	112,081
	739	739	2,845	2,456
	372	401	413	426
	26,270	(175)	6,525	25,263
	(4,609)	(4,429)	(4,313)	(4,455)
	(6)	(6)	(6)	(7)
	(4)	(39)	—	80
	22,762	(3,509)	5,464	23,763
	167,194	170,703	165,239	141,476
	189,956	167,194	170,703	165,239
\$	(76,230)	\$ (53,745)	\$ (58,171)	\$ (53,158)
	167.03 %	147.37 %	151.69 %	147.43 %
\$	9,122	\$ 8,870	\$ 9,248	\$ 8,870
	(853.67)%	(605.92)%	(629.01)%	(599.30)%
	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Notes to Required Supplementary Information

Changes in Assumptions

An experience study which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2022, to reflect the most recent experience study:

	2022	2021	2020	2019	2018
Projected salary					
Increases:					
State	2.75% - 5.55%	3.1% - 5.3%	3.1% - 5.3%	3.1% - 5.3%	3.00% - 4.6%
Nonstate	3.60% - 6.75%	3.35% - 6.5%	3.35% - 6.5%	3.35% - 6.5%	3.35% - 6.0%
Inflation rate	2.75%	3.0%	3.0%	3.0%	3.0%
Mortality rates	Working Participants - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - RP-2000 Non-Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy males - 97% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females - 94% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males - 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females - 101% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Active - RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males - 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females - 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males - 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females - 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.
Withdrawal rates					
State	2.28 - 45.63%	2.28 - 45%	2.28 - 45%	2.28 - 45%	1.75 - 35%
Nonstate	2.5 - 35.88%	2.5 - 35.9%	2.5 - 35.9%	2.5 - 35.9%	2 - 35.9%
Disability rates	0 - 0.5%	0 - 0.5%	0 - 0.5%	0 - 0.7%	0 - 0.7%

	2017	2016	2015	2014
Projected salary				
Increases:				
State	3.00% – 4.6%	3.00% – 4.6%	3.00% – 4.6%	4.25% – 6.0%
Nonstate	3.35% – 6.0%	3.35% – 6.0%	3.35% – 6.0%	4.25% – 6.0%
Inflation rate	3.0%	3.0%	1.9%	2.2%
Mortality rates	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Healthy males – RP-2000 healthy annuitant table, projected Scale AA; Healthy females – RP-2000 healthy annuitant table, projected with Scale AA; Disabled male 96% of RP-2000 disabled annuitant table, projected with Scale AA; Disabled females – 107% of RP-2000 disabled annuitant table, projected with Scale AA.	Healthy males – 110% of RP-2000 healthy annuitant table, projected Scale AA; Healthy females – 101% of RP-2000 healthy annuitant table, projected Scale AA; Disabled male 96% of RP-2000 disabled annuitant table, projected with Scale AA; Disabled females – 107% of RP-2000 disabled annuitant table, projected with Scale AA.	Healthy males – 1983 GAM, Healthy females – 1971 set back 1 yr, Disabled GAM males – 1971 GA set forward 8 yrs, Disabled females – Revenue ruling 96-7
Withdrawal rates				
State	1.75 – 26%	1.75 – 35.1%	1.75 – 35.1%	1 – 26%
Nonstate	2 – 31.2%	2 – 35.8%	2 – 35.8%	2 – 31.2%
Disability rates	0 – 0.7%	0 – .675%	0 – .675%	0 – .8%

**Schedule of the State's Proportionate Share
of the Net OPEB Liability (Asset)
Multiple-Employer Cost Sharing Plan
June 30, 2023
(Expressed in Thousands)**

	2023	2022	2021	2020
State's proportion of the net OPEB liability (asset)	79.89 %	80.17 %	80.82 %	80.63 %
State's proportionate share of the net OPEB liability (asset)	\$ 88,912	\$ (23,836)	\$ 356,966	\$ 1,337,704
State's covered-employee payroll	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975	\$ 1,892,941
State's proportionate share of the net OPEB's liability (asset) as a percentage of its covered-employee payroll	5.66 %	1.73 %	20.18 %	75.62 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	93.59 %	101.81 %	73.49 %	39.69 %

Note: This schedule is intended to show ten years. Additional years will be added as they become available. Data is presented one year in arrears.

2019	2018	2017
76.65 %	78.90 %	74.47 %
\$ 1,644,412	\$ 1,940,146	\$ 1,849,369
\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
71.90 %	88.23 %	87.46 %
30.98 %	25.10 %	21.64 %

Required Supplementary Information
Schedule of State Contributions – OPEB
June 30, 2023
(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 118,000	\$ 152,000	\$ 151,000	\$ 158,000	\$ 171,000
Contributions in relation to the contractually required contribution	87,000	115,000	153,000	156,000	5,000
Contribution deficiency (excess)	\$ 31,000	\$ (37,000)	\$ (2,000)	\$ 2,000	\$ 166,000
State's covered-employee payroll	\$ 1,545,095	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975	\$ 1,892,941
Contributions as a percentage of covered-employee payroll	5.63 %	7.32 %	9.20 %	8.82 %	8.77 %

2018	2017	2016
\$169,000	\$185,000	\$128,000
156,000	128,000	109,000
\$13,000	\$57,000	\$19,000
\$2,286,999	\$2,199,037	\$2,114,459
6.82%	5.82%	5.15%

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

Supplementary Information
Schedule of State Contributions – OPEB Special Funding Situation
June 30, 2023
(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000
Contributions in relation to the statutorily required contribution	30,000	30,000	30,000	35,000
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

	2019		2018
\$	35,000	\$	35,000
	35,000		35,000
\$	—	\$	—

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

Notes to Required Supplementary Information

Changes in Assumptions for OPEB

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Inflation rate	2.25%
Salary Increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18% including inflation. Rates were first applied to the 2020 valuation.
Retirement Age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.5% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year-end 2032.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.
Date range in most recent experience study	Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

Combining Financial Statements and Schedules



Nonmajor Funds
Governmental
Proprietary
Fiduciary

Nonmajor Component
Units

GOVERNMENTAL FUND TYPES – NONMAJOR

Special Revenue:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes.

Debt Service:

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects:

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These funds consist of the following:

Education, Arts, Sciences, and Tourism Fund: This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects which promote education and tourism in the State.

Lease Purchase Account: This Account is established to ensure that revenues and expenditures for the acquisition of capital assets through lease-purchase agreements are properly recorded.

Cacapon Project Fund: This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects at Cacapon Resort State Park.

State Parks Projects: This Fund is established to provide public financial support for certain capital improvement and deferred maintenance projects throughout the State Parks System, including, but not limited to, maintenance, repair, construction, upgrades, and improvements.

Permanent Funds:

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the State's programs, for the benefit of the government or its citizenry.

The Irreducible School Fund: The Fund, which was constitutionally established, is required to maintain a minimum level of investments. All earnings from these investments are transferred to the General Fund for educational expenditures.

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>
Assets:		
Cash and Cash Equivalents	\$ 424,573	\$ 61,002
Investments	161,384	—
Receivables, Net	12,000	235
Due from Other Governments	8,520	—
Due from Other Funds	62	—
Due from Component Units	—	1,055
Inventories	7	—
Other Assets	94	—
Restricted Assets:		
Cash and Cash Equivalents	1,921	164
Total Assets	<u>\$ 608,561</u>	<u>\$ 62,456</u>
Liabilities:		
Accounts Payable	42,531	—
Accrued and Other Liabilities	17,457	—
Due to Other Governments	42,725	—
Due to Other Funds	519	—
Due to Component Units	14	—
Total Liabilities	<u>103,246</u>	<u>—</u>
Fund Balances:		
Nonspendable:		
Inventories	7	—
Permanent Fund	—	—
Restricted for:		
Capital Projects	—	—
Debt Service	—	62,456
Development, Tourism, and Recreation	72,388	—
Education	—	—
Public Protection	87,711	—
Committed to:		
General Government Operations	6,851	—
Public Protection	329,309	—
Assigned to:		
Health and Social Services	4,159	—
Public Protection	4,890	—
Total Fund Balances	<u>505,315</u>	<u>62,456</u>
Total Liabilities and Fund Balances	<u>\$ 608,561</u>	<u>\$ 62,456</u>

Education, Arts, Sciences, and Tourism Fund	Capital Projects			Permanent Fund		Total
	Cacapon Project Fund	DNR - State Park	Lease Purchase Account	Irreducible School		
\$ 1,466	\$ 2,151	\$ —	\$ 11,022	\$ 1,130	\$	501,344
—	—	—	—	—		161,384
6	9	—	43	4		12,297
—	—	—	—	—		8,520
—	—	—	—	—		62
—	—	—	—	—		1,055
—	—	—	—	—		7
—	—	—	—	—		94
—	—	—	—	—		2,085
<u>\$ 1,472</u>	<u>\$ 2,160</u>	<u>\$ —</u>	<u>\$ 11,065</u>	<u>\$ 1,134</u>	<u>\$</u>	<u>686,848</u>
448	—	—	—	—		42,979
—	—	—	—	—		17,457
—	—	—	—	—		42,725
—	—	—	—	—		519
—	—	—	—	—		14
<u>448</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u></u>	<u>103,694</u>
—	—	—	—	—		7
—	—	—	—	1,000		1,000
1,024	2,160	—	11,065	—		14,249
—	—	—	—	—		62,456
—	—	—	—	—		72,388
—	—	—	—	134		134
—	—	—	—	—		87,711
—	—	—	—	—		6,851
—	—	—	—	—		329,309
—	—	—	—	—		4,159
—	—	—	—	—		4,890
<u>1,024</u>	<u>2,160</u>	<u>—</u>	<u>11,065</u>	<u>1,134</u>	<u></u>	<u>583,154</u>
<u>\$ 1,472</u>	<u>\$ 2,160</u>	<u>\$ —</u>	<u>\$ 11,065</u>	<u>\$ 1,134</u>	<u>\$</u>	<u>686,848</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:		
Intergovernmental	\$ 147,798	\$ —
Licenses, Permits, and Fees	136,700	—
Charges for Services	60	—
Lottery Revenue	—	10,648
Investment Earnings	26,858	2,195
Other	9,584	—
Total Revenues	<u>321,000</u>	<u>12,843</u>
Expenditures:		
Legislative	1,485	—
Administration	—	2
Environmental Protection	173,365	—
Employment Programs	65,842	—
Education	—	—
Revenue	21,636	—
Veterans Assistance	—	1
Regulatory Boards and Commissions	26,313	—
Capital Outlay	—	—
Debt Service:		
Principal	—	61,494
Interest	—	20,999
Total Expenditures	<u>288,641</u>	<u>82,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,359</u>	<u>(69,653)</u>
Other Financing Sources (Uses):		
Transfers In	22,362	70,786
Transfers Out	(56,477)	—
Total Other Financing Sources (Uses)	<u>(34,115)</u>	<u>70,786</u>
Net Change in Fund Balances	(1,756)	1,133
Fund Balances, Beginning of Year	<u>507,071</u>	<u>61,323</u>
Fund Balances, End of Year	<u>\$ 505,315</u>	<u>\$ 62,456</u>

Education, Arts, Sciences, and Tourism Fund	Capital Projects			Permanent Fund		Total
	Cacapon Project Fund	State Park Project	Fund Lease Purchase Account	Irreducible School		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 147,798
—	—	—	—	—	—	136,700
—	—	—	—	—	20	80
—	—	—	—	—	—	10,648
53	74	—	378	38	—	29,596
—	—	—	—	352	—	9,936
<u>53</u>	<u>74</u>	<u>—</u>	<u>378</u>	<u>410</u>	<u>—</u>	<u>334,758</u>
—	—	—	—	—	—	1,485
—	—	—	—	—	—	2
—	—	—	—	—	—	173,365
—	—	—	—	—	—	65,842
448	—	—	—	—	—	448
—	—	—	—	—	—	21,636
—	—	—	—	—	—	1
—	—	—	—	—	—	26,313
—	—	3	—	—	—	3
—	—	—	—	—	—	61,494
—	—	—	—	—	—	20,999
<u>448</u>	<u>—</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>371,588</u>
(395)	74	(3)	378	410	—	(36,830)
—	—	—	—	—	—	93,148
—	—	(1)	(63)	(781)	—	(57,322)
—	—	(1)	(63)	(781)	—	35,826
(395)	74	(4)	315	(371)	—	(1,004)
1,419	2,086	4	10,750	1,505	—	584,158
<u>\$ 1,024</u>	<u>\$ 2,160</u>	<u>\$ —</u>	<u>\$ 11,065</u>	<u>\$ 1,134</u>	<u>\$ —</u>	<u>\$ 583,154</u>



SPECIAL REVENUE FUNDS

Nonmajor Funds

Environmental Protection: The Fund consists of various programs intended to maintain and improve the environmental quality of the State and its natural resources. Included in this Fund are programs addressing the following: Underground Storage Tanks, Groundwater, Solid Waste Environmental Response and Enforcement, Special Reclamation, Mines and Minerals, Dam Safety, Hazardous Waste Emergency Response, Oil and Gas Reclamation, and Oil and Gas Operating Permit and Processing, as well as other miscellaneous programs.

Public Service Commission: The Commission is responsible for appraising and balancing the interests of current and future utility service customers, the State's economy, and the utilities subject to its jurisdiction. It is directed to identify, explore, and consider the potential benefits and risks associated with emerging and state-of-the-art concepts in utility management, rate design, and conservation.

Crime Victims' Compensation: The intent of the Fund is to provide partial relief to the innocent victims of crime, including claimant's attorneys and witnesses, for the failure of the State to fully provide for the safety of its citizens and the inviolability of their property. To fund this program, individuals convicted of any felony or misdemeanor, excluding nonmoving traffic violations, must pay an additional amount over and above ordinary court costs.

Insurance Commission: The Commission is responsible for promoting a competitive and solvent insurance market of domestic, foreign, and alien insurers. Additionally, the Fund is authorized to promulgate and adopt and enforce such rules and regulations relating to insurance as are deemed necessary to protect and safeguard the interests of policyholders and the public.

WORKFORCE West Virginia: The Bureau of Employment Programs doing business as WORKFORCE West Virginia includes the Employment Service Division (ES) and the administrative activities of the Unemployment Compensation Division (UC). Local offices are operated throughout the State to serve those seeking and providing employment.

Wildlife Resources Fund: The Fund is responsible for recognizing the inestimable importance of conserving the wildlife resources of West Virginia. In addition, the Fund provides the opportunity for citizens and residents of the State to invest in the future of its wildlife resources. The Fund is financed from the proceeds of the sale of lifetime hunting and fishing licenses, as well as proceeds from gifts, grants, and contributions. The interest on this Fund shall be used only for the purpose of supporting wildlife conservation programs of the State.

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023
(Expressed in Thousands)**

	Environmental Protection	Public Service Commission	Crime Victims' Compensation
Assets:			
Cash and Cash Equivalents	\$ 338,280	\$ 39,421	\$ 6,908
Investments	91,425	—	—
Receivables, Net	7,119	175	—
Due from Other Governments	—	4,950	—
Due from Other Funds	—	62	—
Inventories	—	—	—
Other Assets	—	—	—
Restricted Assets:			
Cash and Cash Equivalents	250	1,671	—
Total Assets	\$ 437,074	\$ 46,279	\$ 6,908
Liabilities:			
Accounts Payable	26,112	14,175	57
Accrued and Other Liabilities	14,798	2,032	—
Due to Other Governments	31,895	10,699	—
Due to Other Funds	67	86	—
Due to Component Units	—	—	—
Total Liabilities	72,872	26,992	57
Fund Balances (Deficits):			
Nonspendable:			
Inventories	—	—	—
Restricted for:			
Development, Tourism, and Recreation	—	—	—
Public Protection	82,787	4,924	—
Committed to:			
General Government Operations	—	—	6,851
Public Protection	276,561	14,327	—
Assigned to:			
Health and Social Services	—	—	—
Public Protection	4,854	36	—
Total Fund Balances	364,202	19,287	6,851
Total Liabilities and Fund Balances	\$ 437,074	\$ 46,279	\$ 6,908

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ 36,587	\$ 3,272	\$ 105	\$ 424,573
—	—	69,959	161,384
2,367	15	2,324	12,000
—	3,570	—	8,520
—	—	—	62
—	7	—	7
94	—	—	94
—	—	—	1,921
\$ 39,048	\$ 6,864	\$ 72,388	\$ 608,561
—	2,187	—	42,531
627	—	—	17,457
—	131	—	42,725
—	366	—	519
—	14	—	14
627	2,698	—	103,246
—	7	—	7
—	—	72,388	72,388
—	—	—	87,711
—	—	—	6,851
38,421	—	—	329,309
—	4,159	—	4,159
—	—	—	4,890
38,421	4,166	72,388	505,315
\$ 39,048	\$ 6,864	\$ 72,388	\$ 608,561

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	<u>Environmental Protection</u>	<u>Public Service Commission</u>	<u>Crime Victims' Compensation</u>
Revenues:			
Intergovernmental	\$ 86,916	\$ (5,307)	\$ 314
Licenses, Permits, and Fees	65,740	28,218	988
Charges for Services	—	60	—
Investment Earnings and Losses	20,970	—	130
Other	9,540	—	44
Total Revenues	<u>183,166</u>	<u>22,971</u>	<u>1,476</u>
Expenditures:			
Legislative	—	—	1,485
Environmental Protection	173,365	—	—
Employment Programs	—	—	—
Revenue	—	—	—
Regulatory Boards and Commissions	—	26,313	—
Total Expenditures	<u>173,365</u>	<u>26,313</u>	<u>1,485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,801</u>	<u>(3,342)</u>	<u>(9)</u>
Other Financing Sources (Uses):			
Transfers In	22,362	—	—
Transfers Out	(27,598)	(118)	(2)
Total Other Financing Sources (Uses)	<u>(5,236)</u>	<u>(118)</u>	<u>(2)</u>
Net Change in Fund Balances	4,565	(3,460)	(11)
Fund Balances, Beginning of Year	<u>359,637</u>	<u>22,747</u>	<u>6,862</u>
Fund Balances, End of Year	<u>\$ 364,202</u>	<u>\$ 19,287</u>	<u>\$ 6,851</u>

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ —	\$ 65,875	\$ —	\$ 147,798
40,094	—	1,660	136,700
—	—	—	60
23	—	5,735	26,858
—	—	—	9,584
<u>40,117</u>	<u>65,875</u>	<u>7,395</u>	<u>321,000</u>
—	—	—	1,485
—	—	—	173,365
—	65,842	—	65,842
21,636	—	—	21,636
—	—	—	26,313
<u>21,636</u>	<u>65,842</u>	<u>—</u>	<u>288,641</u>
<u>18,481</u>	<u>33</u>	<u>7,395</u>	<u>32,359</u>
—	—	—	22,362
(20,000)	—	(8,759)	(56,477)
<u>(20,000)</u>	<u>—</u>	<u>(8,759)</u>	<u>(34,115)</u>
(1,519)	33	(1,364)	(1,756)
<u>39,940</u>	<u>4,133</u>	<u>73,752</u>	<u>507,071</u>
<u>\$ 38,421</u>	<u>\$ 4,166</u>	<u>\$ 72,388</u>	<u>\$ 505,315</u>



DEBT SERVICE FUNDS

Nonmajor Funds

Lease Purchase Account: This Account is established to ensure that revenues and expenditures for the debt service of the lease-purchase agreements are properly recorded.

West Virginia Infrastructure and Jobs Development Council: The Council coordinates the review and funding of water, wastewater, and economic development projects in the State. This Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest for the Council's general obligation debt.

Education, Arts, Sciences, and Tourism Fund: This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects which promote education, arts, sciences, and tourism in the State.

Economic Development Project Fund: This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds to finance a portion of the costs of construction, equipping, improving, or maintaining economic development projects, capital improvement projects, and infrastructure projects which promote economic development in the State.

Cacapon Project Fund: This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds to finance a portion of the costs of constructing, equipping, improving or maintaining capital improvements projects at Cacapon Resort State Park.

State Parks Projects: This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds for certain capital improvement and deferred maintenance projects throughout the State Parks System, including but not limited to, maintenance, repair, construction, upgrades, and improvements.

**Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2023
(Expressed in Thousands)**

	Lease Purchase Accounts	West Virginia Infrastructure and Jobs Development Council	Education, Arts, Sciences, and Tourism Fund	Economic Development Project Fund	Cacapon Project Fund	State Park Projects	Total
Assets:							
Cash and Cash Equivalents	\$ 4,759	\$ —	\$ 6	\$ 51,400	\$ 1,559	\$ 3,278	\$ 61,002
Receivables, Net	10	1	1	204	6	13	235
Due from Component Units	55	—	1,000	—	—	—	1,055
Restricted Assets:							
Cash	—	164	—	—	—	—	164
Total Assets	\$ 4,824	\$ 165	\$ 1,007	\$ 51,604	\$ 1,565	\$ 3,291	\$ 62,456
Fund Balances:							
Restricted for Debt Service	4,824	165	1,007	51,604	1,565	3,291	62,456
Total Fund Balances	\$ 4,824	\$ 165	\$ 1,007	\$ 51,604	\$ 1,565	\$ 3,291	\$ 62,456

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	Lease Purchase Accounts	West Virginia Infrastructure and Jobs Development Council	Education, Arts, Sciences, and Tourism Fund	Economic Development Project Fund	Cacapon Project Fund	State Park Projects	Total
Revenues:							
Lottery Revenues	\$ 654	\$ —	\$ 9,994	\$ —	\$ —	\$ —	\$ 10,648
Investment Earnings	350	165	1	1,564	37	78	2,195
Total Revenues	1,004	165	9,995	1,564	37	78	12,843
Expenditures:							
Administration	1	—	1	—	—	—	2
Veterans Assistance	1	—	—	—	—	—	1
Debt Service:							
Principal	19,754	19,655	4,615	14,680	930	1,860	61,494
Interest	5,912	2,283	5,380	3,861	1,076	2,487	20,999
Total Expenditures	25,668	21,938	9,996	18,541	2,006	4,347	82,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,664)	(21,773)	(1)	(16,977)	(1,969)	(4,269)	(69,653)
Other Financing Sources (Uses):							
Transfers In	23,445	21,938	—	18,985	2,027	4,391	70,786
Total Other Financing Sources (Uses)	23,445	21,938	—	18,985	2,027	4,391	70,786
Net Change in Fund Balances	(1,219)	165	(1)	2,008	58	122	1,133
Fund Balances, Beginning of Year	6,043	—	1,008	49,596	1,507	3,169	61,323
Fund Balances, End of Year	\$ 4,824	\$ 165	\$ 1,007	\$ 51,604	\$ 1,565	\$ 3,291	\$ 62,456



INTERNAL SERVICE FUNDS

Internal Service Funds account for the operations of those state agencies that provide goods and services to other state agencies and governmental units on a cost-reimbursement basis. The Internal Service Funds consist of the following:

State Building Fund: The Fund operates and maintains the primary state government office building complex and related facilities. These facilities are leased to the state agencies that occupy the facilities.

Information Services and Communications: The Fund is responsible for establishing, developing, and improving data-processing functions, for promulgating standards for the utilization of data-processing equipment; and for promoting the effective and efficient operation of the legislative, executive, and judicial branches of State Government. Costs are recovered through service charges to user agencies.

Travel Management: The Fund, a central motor pool responsible for the storage, maintenance, and repairs of state-owned vehicles and aircraft, is maintained by the Department of Administration. User agencies are billed for leasing such vehicles and for use of aircraft.

Enterprise Readiness Planning Board: The Board is responsible for the oversight of how the State manages its financial, human resources, procurement, and other administrative business processes through its Enterprise Readiness Planning (ERP) system. Costs are recovered through service charges to user agencies.

Investment Management Board: The Board serves as the Trustee to provide prudent fiscal administration, investment, and management of the State's pension funds, workers' compensation, pneumoconiosis, and other long-term funds.

Board of Treasury Investments: The BTI serves as the investment vehicle for the operating cash of state agencies and authorities, local governments, and other political subdivisions.

**Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2023
(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Assets:							
Current Assets:							
Cash and Cash Equivalents	\$ 2,307	\$ 6,101	\$ 3,496	\$ 18,718	\$ 5,704	\$ 1,419	\$ 37,745
Receivables, Net	1	170	167	—	9,629	1,310	11,277
Due from Other Funds	1,880	13,250	427	—	—	—	15,557
Due from Component Units	3	19	17	—	—	—	39
Inventories	516	292	—	—	—	—	808
Other Assets	—	—	—	—	84	—	84
Restricted Assets:							
Cash and Cash Equivalents	—	—	2,097	—	—	—	2,097
Total Current Assets	4,707	19,832	6,204	18,718	15,417	2,729	67,607
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	23,319	—	—	—	—	—	23,319
Capital Assets, Net	235,461	624	12,878	59,094	152	7	308,216
Right-to-Use Lease Asset, Net	38	554	30	—	1,209	—	1,831
Total Noncurrent Assets	258,818	1,178	12,908	59,094	1,361	7	333,366
Total Assets	263,525	21,010	19,112	77,812	16,778	2,736	400,973
Deferred Outflows of Resources:							
Related to Pensions	1,186	2,630	152	513	—	—	4,481
Related to Other Post-Employment Benefits	632	571	67	88	—	—	1,358
Total Deferred Outflows of Resources	1,818	3,201	219	601	—	—	5,839
Liabilities:							
Current Liabilities:							
Accounts Payable	5,995	4,151	33	43	10,500	1,020	21,742
Accrued and Other Liabilities	170	344	50	84	—	—	648
Due to Other Governments	65	164	10	30	—	—	269
Due to Other Funds	65	19	34	4	—	—	122
Due to Component Units	—	2	—	—	—	—	2
Other Financing Debt	100	—	5,604	—	—	—	5,704
Other Financing Debt Payable to Component Units	2,000	—	—	—	—	—	2,000
Right-to-Use Lease Liability	40	227	30	—	162	—	459
Total Current Liabilities	8,435	4,907	5,761	161	10,662	1,020	30,946
Noncurrent Liabilities:							
Other Financing Debt	1,818	—	5,173	—	—	—	6,991
Right-to-Use Lease Liability	—	338	—	—	1,112	—	1,450
Other Financing Debt Payable to Component Units	45,650	—	—	—	—	—	45,650
Net Pension Liability	432	1,000	74	184	—	—	1,690
Net OPEB Liability	96	178	12	35	—	—	321
Compensated Absences	516	1,392	90	292	—	—	2,290
Total Noncurrent Liabilities	48,512	2,908	5,349	511	1,112	—	58,392
Total Liabilities	56,947	7,815	11,110	672	11,774	1,020	89,338
Deferred Inflows of Resources:							
Related to Pensions	—	15	12	1	—	—	28
Related to Other Post-Employment Benefits	1,166	1,332	71	138	—	—	2,707
Total Deferred Inflows of Resources	1,166	1,347	83	139	—	—	2,735
Net Position:							
Net Investment in Capital Assets	184,161	1,178	4,228	59,093	87	7	248,754
Restricted for Capital Projects	21,550	—	—	—	—	—	21,550
Restricted for Specific Fund Purposes	—	—	2,097	—	—	—	2,097
Unrestricted (Deficit)	1,519	13,871	1,813	18,509	4,917	1,709	42,338
Total Net Position	\$ 207,230	\$ 15,049	\$ 8,138	\$ 77,602	\$ 5,004	\$ 1,716	\$ 314,739

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Operating Revenues:							
Charges for Services	\$ 22,955	\$ 55,876	\$ 10,260	\$ 15,001	\$ 51,102	\$ 4,867	\$ 160,061
Operating Expenses:							
Cost of Sales and Services	27,318	52,446	2,292	9,188	45,442	4,441	141,127
General and Administration	1,300	1,777	721	1,600	5,337	245	10,980
Pension Expense	234	385	47	99	—	—	765
OPEB Expense	(426)	(1,102)	(78)	(131)	—	—	(1,737)
Depreciation and Amortization	8,435	537	8,425	5,494	231	3	23,125
Total Operating Expenses	36,861	54,043	11,407	16,250	51,010	4,689	174,260
Operating Income (Loss)	(13,906)	1,833	(1,147)	(1,249)	92	178	(14,199)
Nonoperating Revenues (Expenses):							
Gain (Loss) on Sale of Equipment	—	—	(137)	—	—	—	(137)
Investment Income	89	—	90	—	241	—	420
Interest Expense	(2,110)	—	—	—	(67)	—	(2,177)
Lottery Revenue	4,894	—	—	—	—	—	4,894
Other Nonoperating Revenues	—	—	298	—	—	—	298
Other Nonoperating Expenses	(157)	—	—	—	—	—	(157)
Total Nonoperating Revenues (Expenses), Net	2,716	—	251	—	174	—	3,141
Income (Loss) Before Transfers	(11,190)	1,833	(896)	(1,249)	266	178	(11,058)
Transfers In	34,526	—	1,057	—	—	—	35,583
Transfers Out	(4,299)	—	—	—	—	—	(4,299)
Total Transfers	30,227	—	1,057	—	—	—	31,284
Change in Net Position	19,037	1,833	161	(1,249)	266	178	20,226
Net Position, Beginning of Year	188,193	13,216	7,977	78,851	4,738	1,538	294,513
Net Position, End of Year	\$ 207,230	\$ 15,049	\$ 8,138	\$ 77,602	\$ 5,004	\$ 1,716	\$ 314,739

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Cash Flows from Operating Activities:							
Receipts from State Agencies	\$ 24,536	\$ 53,036	\$ 9,949	\$ 15,480	\$ 50,556	\$ 4,637	\$ 158,194
Payments to Suppliers	(20,687)	(43,196)	(1,973)	(10,152)	(44,978)	(4,524)	(125,510)
Payments to Employees	(6,261)	(13,530)	(1,064)	(2,954)	(4,470)	—	(28,279)
Net Cash Provided by (Used for) Operating Activities	(2,412)	(3,690)	6,912	2,374	1,108	113	4,405
Cash Flows from Noncapital Financing Activities:							
Transfers In	34,526	—	1,057	—	—	—	35,583
Transfers Out	(4,285)	—	—	—	—	—	(4,285)
Distributions or Subsidies from (to) Other Organizations	4,894	—	—	—	—	—	4,894
Net Cash Provided by (Used for) Noncapital Financing Activities	35,135	—	1,057	—	—	—	36,192
Cash Flows from Capital and Related Financing Activities:							
Repayment of Capital Debt	(2,023)	—	(10,467)	—	—	—	(12,490)
Interest Paid on Capital Debt	(2,116)	—	—	—	—	—	(2,116)
Principal Paid for Right-to-Use Leases	(93)	(290)	(32)	—	(154)	—	(569)
Interest Paid for Right-to-Use Leases	(4)	(23)	(2)	—	(68)	—	(97)
Acquisition and Construction of Capital Assets	(24,487)	(237)	(3,332)	(407)	(100)	(4)	(28,567)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(28,723)	(550)	(13,833)	(407)	(322)	(4)	(43,839)
Cash Flows from Investing Activities:							
Investment Earnings	89	—	90	—	218	—	397
Net Cash Provided by (Used for) Investing Activities	89	—	90	—	218	—	397
Net Increase (Decrease) in Cash and Cash Equivalents	4,089	(4,240)	(5,774)	1,967	1,004	109	(2,845)
Cash and Cash Equivalents, Beginning of Year	21,537	10,341	11,367	16,751	4,700	1,310	66,006
Cash and Cash Equivalents, End of Year	\$ 25,626	\$ 6,101	\$ 5,593	\$ 18,718	\$ 5,704	\$ 1,419	\$ 63,161

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)
(Continued)

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ (13,906)	\$ 1,833	\$ (1,147)	\$ (1,249)	\$ 92	\$ 178	\$ (14,199)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Bad Debt Expense	—	(1,344)	—	—	—	—	(1,344)
Pension Expense	234	385	47	99	—	—	765
OPEB Expense	(426)	(1,102)	(78)	(131)	—	—	(1,737)
Depreciation and Amortization	8,435	537	8,425	5,494	231	3	23,125
Changes in Assets, Liabilities, and Deferred Outflow of Resources:							
Receivables	1,584	(2,840)	(312)	479	(547)	(230)	(1,866)
Inventories	42	347	—	—	—	—	389
Other Assets	—	—	(40)	—	15	—	(25)
Accounts Payable and Accrued Liabilities	2,140	(196)	31	(2,065)	1,317	162	1,389
Other Liabilities	25	(202)	23	(14)	—	—	(168)
Deferred Outflows of Resources	(540)	(1,108)	(37)	(239)	—	—	(1,924)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,412)</u>	<u>\$ (3,690)</u>	<u>\$ 6,912</u>	<u>\$ 2,374</u>	<u>\$ 1,108</u>	<u>\$ 113</u>	<u>\$ 4,405</u>
Schedule of Non-Cash Capital and Financing Activities:							
Right-to-Use Lease Asset	\$ 223	\$ 749	\$ 93	\$ —	\$ —	\$ —	\$ 1,065

PROPRIETARY FUNDS – NONMAJOR

Drinking Water Treatment Revolving Fund: Low-interest loans are made to communities to assist in financing drinking water infrastructure projects, including, but not limited to, treatment, distribution, transmission, and storage. The Fund is to remain in perpetuity by recirculating the principal and interest earned from the loans.

Alcohol Beverage Control Administration: The Administration is responsible for the regulation and control of the manufacture, sale, distribution, transportation, storage, and consumption of alcoholic beverages. The Administration shall establish stores and agencies and shall fix uniform prices for the sale of alcoholic beverages.

West Virginia College Prepaid Tuition and Savings Program: The Program, which is comprised of the Prepaid Tuition Trust Fund and the College Prepaid Tuition and Savings Program Administrative Account, is responsible for providing individuals and organizations the opportunity to prepay future college tuition and mandatory fees at West Virginia public and private colleges and universities and to offer a comprehensive state-sponsored college savings plan. Prices for contracts are based on weighted-average tuition and mandatory fees as determined annually by the Program's consulting actuaries and its Board. In March 2003, the West Virginia Legislature closed the Prepaid Tuition Program to new contracts until the Legislature authorizes the Program to reopen. All contract holders will continue to pay any amounts due, including monthly installments, penalties and fees, and the Prepaid Tuition Program will continue to pay all benefits due. During fiscal year 2015, the Board voted to close the Prepaid Tuition Program on June 30, 2022. Any funds not distributed to account holders or beneficiaries who cannot be located at the time will be transferred to the West Virginia unclaimed property division where the rightful owner can claim the funds at any time.

State Entities Workers' Compensation (SEWC): The Fund is responsible for providing a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The West Virginia Offices of the Insurance Commissioner was given the responsibility of administering the SEWC. The SEWC is a public entity risk pool functioning as an insurance purchasing pool.

**Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2023
(Expressed in Thousands):**

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Programs	State Entities Workers' Compensation	Total
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 59,983	\$ 22,957	\$ 536	\$ 6,482	\$ 89,958
Investments	—	—	3,781	—	3,781
Receivables, Net	8,754	472	184	325	9,735
Inventories	—	42	—	—	42
Other Assets	—	—	—	15,020	15,020
Restricted Assets:					
Receivables, Net	—	737	—	—	737
Total Current Assets	68,737	24,208	4,501	21,827	119,273
Noncurrent Assets:					
Receivables, Net	158,186	—	—	—	158,186
Restricted Assets:					
Receivables, Net	—	835	—	—	835
Capital Assets, Net	—	2,487	—	—	2,487
Total Noncurrent Assets	158,186	3,322	—	—	161,508
Total Assets	226,923	27,530	4,501	21,827	280,781
Deferred Outflows of Resources:					
Related to Pensions	—	674	117	—	791
Related to OPEB	—	136	18	—	154
Total Deferred Outflows of Resources	—	810	135	—	945
Liabilities:					
Current Liabilities:					
Accounts Payable	1	4,880	21	—	4,902
Accrued and Other Liabilities	—	175	—	—	175
Due to Other Funds	—	5	—	—	5
Due to Component Units	91	—	—	—	91
Insurance and Compensation Benefits Obligations	—	—	—	5,300	5,300
Compensated Absences	—	—	53	—	53
Total Current Liabilities	92	5,060	74	5,300	10,526
Noncurrent Liabilities:					
Insurance and Compensation Benefits Obligations	—	—	—	7,000	7,000
Net Pension Liability	—	246	39	—	285
Net OPEB Liability	—	79	6	—	85
Compensated Absences	—	263	23	—	286
Total Noncurrent Liabilities	—	588	68	7,000	7,656
Total Liabilities	92	5,648	142	12,300	18,182
Deferred Inflows of Resources:					
Related to Pensions	—	6	3	—	9
Related to OPEB	—	395	40	—	435
Total Deferred Inflows of Resources	—	401	43	—	444
Net Position:					
Net Investment in Capital Assets	—	2,487	—	—	2,487
Restricted for:					
General Government Operations	—	—	4,449	—	4,449
Lending Activities	226,831	1,571	—	—	228,402
Insurance Activities	—	—	—	9,527	9,527
Unrestricted	—	18,233	2	—	18,235
Total Net Position	\$ 226,831	\$ 22,291	\$ 4,451	\$ 9,527	\$ 263,100

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Programs	State Entities Workers' Compensation	Total
Operating Revenues:					
Charges for Services and Sales	\$ 1,631	\$ 136,005	\$ —	\$ —	\$ 137,636
Insurance Premiums	—	—	—	8,874	8,874
Licenses, Permits, and Fees	—	4,761	1,519	—	6,280
Other	—	175	—	—	175
Total Operating Revenues	1,631	140,941	1,519	8,874	152,965
Operating Expenses:					
Cost of Sales and Services	—	102,868	—	—	102,868
Insurance Claims and Claims Adjustment Provisions	—	—	—	6,059	6,059
General and Administration	—	5,443	1,367	400	7,210
Pension Expense	—	136	18	—	154
OPEB Expense	—	(390)	(27)	—	(417)
Depreciation and Amortization	—	233	—	—	233
Other	3,018	—	—	—	3,018
Total Operating Expenses	3,018	108,290	1,358	6,459	119,125
Operating Income (Loss)	(1,387)	32,651	161	2,415	33,840
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income	2,204	—	—	712	2,916
Other Nonoperating Revenues	—	313	510	—	823
Other Nonoperating Expenses	—	—	(7)	—	(7)
Total Nonoperating Revenues (Expenses), Net	2,204	313	503	712	3,732
Income (Loss) Before Transfers	817	32,964	664	3,127	37,572
Transfers:					
Transfers In	21,195	—	—	—	21,195
Transfers Out	—	(33,245)	—	(5,000)	(38,245)
Total Transfers	21,195	(33,245)	—	(5,000)	(17,050)
Change in Net Position	22,012	(281)	664	(1,873)	20,522
Net Position, Beginning of Year	204,819	22,572	3,787	11,400	242,578
Net Position, End of Year	\$ 226,831	\$ 22,291	\$ 4,451	\$ 9,527	\$ 263,100

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	Business-type Activities – Enterprise				Total
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College Prepaid Tuition and Savings Program	State Entities Workers' Compensation	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 9,447	\$ 141,003	\$ —	\$ 16,849	\$ 167,299
Payments to Suppliers	—	(103,952)	(760)	(34)	(104,746)
Payments to Employees	—	(4,190)	(693)	—	(4,883)
Payments for Loans Originated	(29,424)	—	—	—	(29,424)
Payments for Premiums	—	—	—	(8,379)	(8,379)
Payments to Claimants	—	—	—	(7,547)	(7,547)
Other Operating Cash Receipts	—	—	1,826	—	1,826
Other Operating Cash Payments	(250)	—	(3,634)	(2,373)	(6,257)
Net Cash Provided by (Used for) Operating Activities	<u>(20,227)</u>	<u>32,861</u>	<u>(3,261)</u>	<u>(1,484)</u>	<u>7,889</u>
Cash Flows from Noncapital Financing Activities:					
Transfers In	21,195	—	—	—	21,195
Transfers Out	—	(33,245)	—	(5,000)	(38,245)
Entitlements and Grants	—	128	—	—	128
Provided from Issuing Liquor Licenses	—	108	—	—	108
Receipts from Notes Receivable	—	829	—	—	829
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>21,195</u>	<u>(32,180)</u>	<u>—</u>	<u>(5,000)</u>	<u>(15,985)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	—	(119)	—	—	(119)
Net Cash Used for Capital and Related Financing Activities	<u>—</u>	<u>(119)</u>	<u>—</u>	<u>—</u>	<u>(119)</u>
Cash Flows from Investing Activities:					
Investment Earnings	2,204	—	—	403	2,607
Net Cash Provided by (Used for) Investing Activities	<u>2,204</u>	<u>—</u>	<u>—</u>	<u>403</u>	<u>2,607</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,172	562	(3,261)	(6,081)	(5,608)
Cash and Cash Equivalents, Beginning of Year	56,811	22,395	3,797	12,563	95,566
Cash and Cash Equivalents, End of Year	<u>\$ 59,983</u>	<u>\$ 22,957</u>	<u>\$ 536</u>	<u>\$ 6,482</u>	<u>\$ 89,958</u>

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)
(Continued)**

	Business-type Activities – Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College Prepaid Tuition and Savings Program	State Entities Workers’ Compensation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(1,387)	32,651	161	2,415	\$ 33,840
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	—	233	—	—	233
Pension Expense	—	136	18	—	154
OPEB Expense	—	(390)	(27)	—	(417)
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:					
Receivables	(18,895)	62	(55)	(2,062)	(20,950)
Investments	—	—	(3,634)	—	(3,634)
Inventories	—	8	—	—	8
Accounts Payable and Accrued Liabilities	55	401	322	(1,800)	(1,022)
Unearned Revenue	—	(2)	—	—	(2)
Other Liabilities	—	—	—	(37)	(37)
Compensated Absences	—	—	7	—	7
Deferred Outflows Related to Pensions/OPEB	—	384	(53)	—	331
Pensions/OPEB	—	1,911	—	—	1,911
Deferred Inflow related to Pensions/OPEB	—	(2,533)	—	—	(2,533)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (20,227)</u>	<u>\$ 32,861</u>	<u>\$ (3,261)</u>	<u>\$ (1,484)</u>	<u>\$ 7,889</u>
Schedule of Noncash Capital and Financing Activities:					
Loans Originated with Principal Forgiveness Features	\$ 2,714	\$ —	\$ —	\$ —	\$ 2,714



PENSION TRUST AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension Trust These Funds are accounted for in essentially the same manner as proprietary funds and are described below:

Consolidated Public Retirement Board The Consolidated Public Retirement Board consists of nine plans. There are nine defined benefit plans as follows: The Public Employees Retirement System (PERS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers substantially all employees of the State and its component units, as well as employees of participating nonstate governmental entities who are not participants of another State or municipal retirement system. The Deputy Sheriffs' Retirement System (DSRS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers all deputy sheriffs hired on or after July 1, 1998, as well as eligible transferees from PERS. The Emergency Medical Services Retirement System (EMSRS) is a multiple-employer, cost-sharing public employee retirement system, which was established for eligible emergency medical service officers. Participation is voluntary. The Teachers' Retirement System (TRS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers all full-time employees of the public school systems in the State, as well as certain personnel of the State-supported institutions of higher education, State Department of Education, and boards of higher education. The Public Safety Death, Disability and Retirement Fund (PSDDRF) plan is a single-employer defined benefit public employee retirement system. This plan covers all West Virginia State Police hired before July 1, 1994. The State Police Retirement System (SPRS) was implemented to cover all State Police employees hired on or after July 1, 1994. The Judges Retirement System (JRS) plan is a single-employer defined benefit public employee retirement system. This plan covers the State's judges who elect to participate. The Teachers' Defined Contribution Retirement System (TDCRS) plan is a multiple-employer defined contribution retirement system. This plan primarily covers full-time employees of the State's county public school systems. The Municipal Police Officers and Firefighters Retirement System (MPFRS) plan is a multiple- employer defined benefit retirement system. This plan provides for any municipality or municipal subdivision employing municipal police officers or firefighters. The Natural Resources Police Officers Retirement System (NRPORS) is a single-employer defined benefit public employee retirement system. This plan covers all natural resources police officers hired January 2, 2021, and any transferees from PERS.

Employee Benefit Trust Fund This fund is used to report a trust arrangement and is accounted for in essentially the same manner as proprietary funds.

The West Virginia Retiree Health Benefit Trust Fund The West Virginia Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, was established under West Virginia Code 5-16D and is administered by the West Virginia Public Employees Insurance Agency (PEIA) and the PEIA Finance Board. The RHBT is a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. It provides the following basic retiree benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, dental, and prescription drug coverage for retired employees of the State of West Virginia and various nonstate agencies and their dependents. All premium rates for plan members and employers are established based upon actuarially determined projected coverage costs as reviewed and approved by the Finance Board of PEIA.

**Combining Statement of Fiduciary Net Position
Pension Trust and Other Employee
Benefit Trust Funds
June 30, 2023
(Expressed in Thousands)**

	Public Employees' Retirement System	Teachers' Retirement System	Public Safety Death, Disability, and Retirement Fund	State Police Retirement System	Judges' Retirement System	Teachers' Defined Contribution Retirement System
Assets:						
Cash and Cash Equivalents	\$ 1,416	\$ 62,784	\$ 49	\$ 64	\$ 63	\$ 5,556
Investments:						
Equity in Pooled Investments	8,398,436	9,319,702	778,440	320,096	278,545	—
Mutual Funds	—	—	—	—	—	663,300
Receivables, Net:						
Contributions	4,946	21,847	—	26	—	719
Participant Loans	156	386	3	—	—	342
Accounts	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	—
Due from Component Units	27	—	—	—	—	—
Total Assets	8,404,981	9,404,719	778,492	320,186	278,608	669,917
Deferred Outflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—
Liabilities:						
Accounts Payable	1	—	—	—	—	—
Accrued and Other Liabilities	3,823	4,315	358	142	121	5,381
Due to Other Funds	58	—	—	—	—	—
Insurance Claims Payable	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
Net OPEB Liability	—	—	—	—	—	—
Total Liabilities	3,882	4,315	358	142	121	5,381
Deferred Inflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—
Net Position Held in trust for:						
Restricted for:						
Pensions	8,401,099	9,400,404	778,134	320,044	278,487	664,536
Other Postemployment Benefits	—	—	—	—	—	—
Total Net Position	\$ 8,401,099	\$ 9,400,404	\$ 778,134	\$ 320,044	\$ 278,487	\$ 664,536

Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters	Natural Resources Police Officers Retirement System	Total Pension Trust Funds	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 170	\$ 101	\$ 148	\$ 16	\$ 70,367	\$ 71,424	\$ 141,791
316,039	125,180	34,945	27,642	19,599,025	1,742,875	21,341,900
—	—	—	—	663,300	—	663,300
808	703	397	—	29,446	425	29,871
149	—	—	—	1,036	—	1,036
—	—	—	—	—	5,424	5,424
—	—	—	—	—	149	149
—	—	—	—	27	790	817
<u>317,166</u>	<u>125,984</u>	<u>35,490</u>	<u>27,658</u>	<u>20,363,201</u>	<u>1,821,087</u>	<u>22,184,288</u>
—	—	—	—	—	218	218
—	—	—	—	—	45	45
—	—	—	—	—	263	263
—	—	—	—	1	—	1
143	53	12	10	14,358	6,348	20,706
—	—	—	—	58	7,965	8,023
—	—	—	—	—	11,146	11,146
—	—	—	—	—	80	80
—	—	—	—	—	15	15
<u>143</u>	<u>53</u>	<u>12</u>	<u>10</u>	<u>14,417</u>	<u>25,554</u>	<u>39,971</u>
—	—	—	—	—	2	2
—	—	—	—	—	128	128
—	—	—	—	—	130	130
317,023	125,931	35,478	27,648	20,348,784	—	20,348,784
—	—	—	—	—	1,795,666	1,795,666
<u>\$ 317,023</u>	<u>\$ 125,931</u>	<u>\$ 35,478</u>	<u>\$ 27,648</u>	<u>\$ 20,348,784</u>	<u>\$ 1,795,666</u>	<u>\$ 22,144,450</u>

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust and Other Employee
Benefit Trust Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	Public Employees' Retirement System	Teachers' Retirement System	Public Safety Death, Disability, and Retirement Fund	State Police Retirement System	Judges' Retirement System	Teachers' Defined Contribution Retirement System
Additions:						
Contributions:						
Members	\$ 89,190	\$ 104,432	\$ 21	\$ 4,860	\$ 369	\$ 5,597
Employers	152,675	135,050	40	8,100	797	9,329
Other	10,800	317,471	—	—	—	—
Total Contributions	<u>252,665</u>	<u>556,953</u>	<u>61</u>	<u>12,960</u>	<u>1,166</u>	<u>14,926</u>
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of	668,541	738,719	62,870	24,913	22,015	21,353
Interest	672	1,166	80	20	16	49,285
Net Investment Income (Loss)	<u>669,213</u>	<u>739,885</u>	<u>62,950</u>	<u>24,933</u>	<u>22,031</u>	<u>70,638</u>
Transfers to Plan	(2,914)	(190)	—	—	—	—
Other Income	696	3,922	705	129	589	467
Total Additions	<u>919,660</u>	<u>1,300,570</u>	<u>63,716</u>	<u>38,022</u>	<u>23,786</u>	<u>86,031</u>
Deductions:						
Benefits Expense	507,209	885,273	52,429	6,826	5,134	—
Forfeitures	—	—	—	—	—	740
Refunds of Contributions	15,131	12,558	—	320	—	25,595
Administrative Expenses	3,736	4,192	358	135	121	282
Pension Expense	—	—	—	—	—	—
OPEB Expense	—	—	—	—	—	—
Transfer from Plan	(186)	—	—	—	(714)	(4)
Total Deductions	<u>525,890</u>	<u>902,023</u>	<u>52,787</u>	<u>7,281</u>	<u>4,541</u>	<u>26,613</u>
Change in Net Position:						
Restricted for Pension Benefits Held in trust for Postemployment Benefits	393,770	398,547	10,929	30,741	19,245	59,418
Net Position, Beginning of Year	<u>8,007,329</u>	<u>9,001,857</u>	<u>767,205</u>	<u>289,303</u>	<u>259,242</u>	<u>605,118</u>
Net Position, End of Year	<u>\$ 8,401,099</u>	<u>\$ 9,400,404</u>	<u>\$ 778,134</u>	<u>\$ 320,044</u>	<u>\$ 278,487</u>	<u>\$ 664,536</u>

Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters	Natural Resources Police Officers Retirement System	Total Pension Trust Funds	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 5,776	\$ 3,272	\$ 3,168	\$ 678	\$ 217,363	\$ —	\$ 217,363
8,811	3,662	3,168	856	322,488	50,476	372,964
—	—	—	—	328,271	49,809	378,080
14,587	6,934	6,336	1,534	868,122	100,285	968,407
24,907	9,604	2,522	2,123	1,577,567	134,315	1,711,882
19	14	14	5	51,291	3,186	54,477
24,926	9,618	2,536	2,128	1,628,858	137,501	1,766,359
—	—	—	—	(3,104)	—	(3,104)
323	32	19	—	6,882	501	7,383
39,836	16,584	8,891	3,662	2,500,758	238,287	2,739,045
15,740	4,686	39	449	1,477,785	62,886	1,540,671
—	—	—	—	740	—	740
1,225	1,075	559	31	56,494	—	56,494
137	53	12	11	9,037	4,820	13,857
—	—	—	—	—	(45)	(45)
—	—	—	—	—	(68)	(68)
—	(2,200)	—	—	(3,104)	—	(3,104)
17,102	3,614	610	491	1,540,952	67,593	1,608,545
22,734	12,970	8,281	3,171	959,806	—	959,806
—	—	—	—	—	170,694	170,694
294,289	112,961	27,197	24,477	19,388,978	1,624,972	21,013,950
\$ 317,023	\$ 125,931	\$ 35,478	\$ 27,648	\$ 20,348,784	\$ 1,795,666	\$ 22,144,450



INVESTMENT TRUST FUNDS

Investment Trust Funds: The investment trust funds account for the external portion of the State's external investment pools. The State maintains two external investment pools, the West Virginia Money Market and West Virginia Government Money Market pools. The external portion belongs to local governments and municipalities. These Funds are accounted for in essentially the same manner as proprietary funds.

West Virginia

Combining Statement of Fiduciary Net Position Investment Trust Funds June 30, 2023 (Expressed in Thousands)

	<u>West Virginia Money Market</u>	<u>West Virginia Government Money Market</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 644,829	\$ 331,358	\$ 976,187
Total Assets	<u>\$ 644,829</u>	<u>\$ 331,358</u>	<u>\$ 976,187</u>
Net Position:			
Held in Trust for External Investment Pool Participants	\$ 644,829	\$ 331,358	\$ 976,187
Total Net Position	<u>\$ 644,829</u>	<u>\$ 331,358</u>	<u>\$ 976,187</u>

Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds For the Year Ended June 30, 2023 (Expressed in Thousands)

	<u>West Virginia Money Market</u>	<u>West Virginia Government Money Market</u>	<u>Total</u>
Additions:			
Deposits, Pool Participants	\$ 585,637	\$ 411,874	\$ 997,511
Investment Income:			
Net Appreciation in Fair Value of Investments	23,991	9,330	33,321
Total Additions	<u>609,628</u>	<u>421,204</u>	<u>1,030,832</u>
Deductions:			
Withdrawals	<u>444,275</u>	<u>281,077</u>	<u>725,352</u>
Change in Net Position Held in Trust for External Investment Pool Participants	165,353	140,127	305,480
Net Position, Beginning of Year	<u>479,476</u>	<u>191,231</u>	<u>670,707</u>
Net Position, End of Year	<u>\$ 644,829</u>	<u>\$ 331,358</u>	<u>\$ 976,187</u>



CUSTODIAL FUNDS

Custodial Funds: These funds are custodial in nature and report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. They include the following:

Local Government: This fund accounts for funds received by the State, from local governments to be invested with the West Virginia Board of Treasury Investments.

Municipal Bond Commission: This fund includes funds received by the State, who acts as an escrow agent for local governments and assures payments are made to bondholders.

Consolidated Escrow Fund: This fund includes amounts collected on behalf of third parties, performance bonds required by the Department of Energy and Labor, the Department of Environmental Protection, and other restricted assets held by the Governor's Office of Community and Industrial Development.

Patient Injury Compensation Fund: This fund was created for the purpose of providing fair and reasonable compensation in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of limitations on economic damage awards for trauma care, or as a result of the operation of the joint and several liability principles and standards set forth in the West Virginia State Code.

Other Custodial Funds: These funds include the Coronavirus State Fiscal Recovery Pass Through Fund, and other small custodial funds.

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023
(Expressed in Thousands)**

	Local Government		Other Agency			Total
	Local Government	Municipal Bond Commission	Consolidated Investment Pool	Patient Injury Compensation Fund	Other Custodial Funds	
Assets:						
Current Assets:						
Cash and Cash Equivalents	\$ 4,298	\$ 3,177	\$ 72,632	\$ 56	\$ 22,772	\$ 102,935
Investments	—	—	11,087	—	—	11,087
Receivables, Net	—	—	701	—	16	717
Due from Other Funds	130	—	—	—	—	130
Total Assets	4,428	3,177	84,420	56	22,788	114,869
Liabilities:						
Current Liabilities:						
Due to Other Governments	4,428	3,177	—	—	8,215	15,820
Custodial Liabilities	—	—	701	56	14,573	15,330
Total Liabilities	4,428	3,177	701	56	22,788	31,150
Net Position:						
Restricted for:						
Individuals, Organizations and other Governments	—	—	83,719	—	—	83,719
Total Net Position	\$ —	\$ —	\$ 83,719	\$ —	\$ —	\$ 83,719

- American Rescue Plan Act is included in Other Custodial Funds that will be distributed to local governments.

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

	<u>Local Government</u>	<u>Municipal Bond Commission</u>	<u>Consolidated Investment Pool</u>	<u>Other Custodial Funds</u>	<u>Total</u>
Additions:					
Funds Received for Local Governments	\$ 1,495,231	\$ —	\$ —	\$ —	\$ 1,495,231
Grants Received for Local Governments	—	—	—	84,690	84,690
Funds Received for Individuals and Organizations	—	—	—	222,656	222,656
Collateral Received and Related Additions	—	—	58,922	—	58,922
Taxes Collected for Other Governments	—	855,701	—	—	855,701
Total Additions	<u>1,495,231</u>	<u>855,701</u>	<u>58,922</u>	<u>307,346</u>	<u>2,717,200</u>
Deductions:					
Funds Disbursed to Local Governments	1,495,231	—	—	—	1,495,231
Grants disbursed to Local Governments	—	—	—	84,690	84,690
Funds disbursed to Individuals and Organizations	—	—	—	222,656	222,656
Collateral Disbursed and Related Deductions	—	—	63,288	—	63,288
Taxes Disbursed to Local Governments	—	855,701	—	—	855,701
Total Deductions	<u>1,495,231</u>	<u>855,701</u>	<u>63,288</u>	<u>307,346</u>	<u>2,721,566</u>
Change in Net Position Restricted For:					
Individuals and Organizations	—	—	(4,366)	—	(4,366)
Net Position, Beginning of Year	—	—	88,085	—	88,085
Net Position, End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 83,719</u>	<u>\$ —</u>	<u>\$ 83,719</u>



DISCRETELY PRESENTED COMPONENT UNITS

Nonmajor Component Units

Educational Broadcasting Authority: The Authority is responsible for extending educational, cultural, and informational experiences to all citizens of the State through the construction and operation of noncommercial, educational television and radio stations, and related facilities. Revenues for operations are derived primarily through private donations, with additional supplements from federal and state grants.

Jobs Investment Trust: The Board is responsible for improving and promoting economic development in the State. It can issue loans to businesses that will stimulate economic growth and provide or retain jobs in the State.

West Virginia Division of Multimodal Transportation Facilities: The Division is responsible for the administration of all federal and state programs related to public ports, railroads, airports, air navigational facilities and public transit providers. The Division is empowered to issue bonds for the rail system.

Solid Waste Management Board: The Board is responsible for the improved collection and disposal of solid wastes, and for encouraging recycling, reuse, or recovery of resources from wastes. The intent of the Board is to become a viable financing mechanism for solid waste projects in West Virginia, and it is empowered to issue bonds and set rate structures at its discretion.

Racing Commission: The Commission has full jurisdiction and supervision over all horse- and dog-race meetings, and all persons involved in the holding or conducting of horse- or dog-race meetings. It can fix the annual fee for permits and registrations. Other racing taxes and fees are set by West Virginia State Code, Chapter 19, Article 23.

Public Defender Corporation: The Corporation is responsible for fulfilling the State's obligation to provide legal representation to eligible clients. Funding of the individual public defender corporations is by appropriation determined by the executive director of the Public Defender Services.

Municipal Pensions Oversight Board: The Board's purpose is to monitor and improve the performance of municipal policemen's and firemen's pension and relief funds assuring prudent administration, investment, and management of the funds. The board also assists municipal boards of trustees in performing their duties related to pensions, ensures the funds' compliance with applicable laws, and distributes insurance premium tax revenues to the individual pension funds.

**Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2023
(Expressed in Thousands)**

	Educational Broadcasting Authority	WV Division of Multimodal Transportation Facilities	Solid Waste Management Board
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 7,656	\$ 10,530	\$ 3,563
Investments	3,491	—	—
Receivables, Net	275	674	268
Due from Other Governments	—	146	—
Due from Primary Government	3,569	577	—
Inventories	—	28	—
Other Assets	—	—	1
Restricted Assets:			
Cash and Cash Equivalents	146	—	3,983
Receivables, Net	—	—	67
Total Current Assets	<u>15,137</u>	<u>11,955</u>	<u>7,882</u>
Noncurrent Assets:			
Receivables, Net	1,234	—	—
Restricted Assets:			
Cash and Cash Equivalents	364	—	—
Receivables, Net	—	—	804
Other Restricted Assets	330	—	—
Right-to-Use Lease Asset, Net	182	81	—
Capital Assets, Net	5,816	37,347	43
Total Noncurrent Assets	<u>7,926</u>	<u>37,428</u>	<u>847</u>
Total Assets	<u>23,063</u>	<u>49,383</u>	<u>8,729</u>
Deferred Outflows of Resources:			
Related to Pensions	654	283	119
Related to OPEB	165	58	22
Total Deferred Outflows of Resources	<u>819</u>	<u>341</u>	<u>141</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	181	1,569	128
Accrued and Other Liabilities	—	85	—
Due to Primary Government	14	574	—
Unearned Revenue	633	3	—
Right-to-Use Lease Liability	23	41	—
Compensated Absences	192	—	—
Total Current Liabilities	<u>1,043</u>	<u>2,272</u>	<u>128</u>
Noncurrent Liabilities:			
Accrued and Other Liabilities	—	—	200
Unearned Revenue	—	33	—
Liabilities Payable from Restricted Assets	—	—	—
Right-to-Use Lease Liability	174	42	—
Net Pension Liability	233	23	45
Net OPEB Liability	77	102	8
Compensated Absences	—	176	51
Total Noncurrent Liabilities	<u>484</u>	<u>376</u>	<u>304</u>
Total Liabilities	<u>1,527</u>	<u>2,648</u>	<u>432</u>
Deferred Inflows of Resources:			
Related to Pensions	19	3	2
Related to Other Post-Employment Benefits	320	125	35
Related to Leases	1,201	—	—
Total Deferred Inflows of Resources	<u>1,540</u>	<u>128</u>	<u>37</u>
Net Position:			
Net Investment in Capital Assets	5,801	37,347	43
Restricted for:			
Nonexpendable	330	—	—
Specific Component Unit Purposes	—	3,168	4,654
Unrestricted	14,684	6,433	3,704
Total Net Position	<u>\$ 20,815</u>	<u>\$ 46,948</u>	<u>\$ 8,401</u>

Racing Commission	Public Defender Corporation	Municipal Pensions Oversight Board	Total
\$ 1,551	\$ 16,139	\$ 35,906	\$ 75,345
—	—	—	3,491
76	263	—	1,556
—	—	—	146
—	—	—	4,146
—	—	—	28
—	95	—	96
17,399	—	—	21,528
348	—	—	415
<u>19,374</u>	<u>16,497</u>	<u>35,906</u>	<u>106,751</u>
—	—	—	1,234
—	—	—	364
—	—	—	804
—	—	—	330
—	2,220	—	2,483
—	1,341	3	44,550
—	3,561	3	49,765
<u>19,374</u>	<u>20,058</u>	<u>35,909</u>	<u>156,516</u>
394	3,185	51	4,686
37	366	15	663
<u>431</u>	<u>3,551</u>	<u>66</u>	<u>5,349</u>
353	—	4	2,235
77	705	22	889
4	—	—	592
—	3,213	—	3,849
—	541	—	605
—	—	—	192
<u>434</u>	<u>4,459</u>	<u>26</u>	<u>8,362</u>
—	—	—	200
—	—	—	33
17,399	—	—	17,399
—	1,737	—	1,953
145	1,161	20	1,627
22	176	3	388
192	1,137	—	1,556
<u>17,758</u>	<u>4,211</u>	<u>23</u>	<u>23,156</u>
<u>18,192</u>	<u>8,670</u>	<u>49</u>	<u>31,518</u>
—	63	1	88
139	1,067	12	1,698
—	—	—	1,201
<u>139</u>	<u>1,130</u>	<u>13</u>	<u>2,987</u>
—	1,341	3	44,535
—	—	—	330
—	—	35,910	43,732
1,474	12,468	—	38,763
<u>\$ 1,474</u>	<u>\$ 13,809</u>	<u>\$ 35,913</u>	<u>\$ 127,360</u>

**Combining Statement of Activities
 Nonmajor Discretely Presented Component Units
 For the Fiscal Year Ended June 30, 2023
 (Expressed in Thousands)**

	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units:					
Educational Broadcasting Authority	\$ 10,654	\$ 3,547	\$ 2,499	\$ —	\$ (4,608)
WV Division of Multimodal Transportation Facilities	62,877	1,352	—	13,105	(48,420)
Solid Waste Management Board	2,480	2,751	—	—	271
Racing Commission	2,701	2,594	—	—	(107)
Public Defender Corporation	20,319	—	846	—	(19,473)
Municipal Pensions Oversight Board	18,928	—	—	—	(18,928)
Total Component Units	\$ 117,959	\$ 10,244	\$ 3,345	\$ 13,105	\$ (91,265)

General Revenue								
Unrestricted Investment Earnings	Grants and Contributions Not Restricted for Specific Programs	Miscellaneous	Payments from the State of West Virginia	Total General Revenues and Special Item	Change in Net Position	Net Position, Beginning of Year, as Restated	Net Position, End of Year	
\$ 476	\$ 3,871	\$ 297	\$ —	\$ 4,644	\$ 36	\$ 20,779	\$ 20,815	
315	—	3,057	5,960	9,332	(39,088)	86,036	46,948	
46	—	—	—	46	317	8,084	8,401	
—	—	800	—	800	693	781	1,474	
23	—	198	23,180	23,401	3,928	9,881	13,809	
—	—	1,005	23,272	24,277	5,349	30,564	35,913	
<u>\$ 860</u>	<u>\$ 3,871</u>	<u>\$ 5,357</u>	<u>\$ 52,412</u>	<u>\$ 62,500</u>	<u>\$ (28,765)</u>	<u>\$ 156,125</u>	<u>\$ 127,360</u>	



Statistical Section



Financial Trends

Revenue Capacity

Debt Capacity

Demographics and
Economic Information

Operating Information

Miscellaneous



Statistical Section Index

Financial Trends – These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

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Revenue Capacity Information – These schedules contain trend information to help the reader understand the State’s capacity to raise revenues and the sources of those revenues.

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Debt Capacity Information – These schedules contain trend information to help the reader understand the State’s outstanding debt, the capacity to repay that debt, and the ability to issue additional debt in the future.

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Demographic and Economic Information – These schedules offer indicators to help the reader understand the environment within which the government’s financial activities take place.

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Operating Information – These schedules assist the reader in evaluating the size, efficiency, and effectiveness of the State’s government.

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Miscellaneous Statistics – This information may provide the reader with more insight into the State’s financial and demographic status.

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Note: GASB 63 was implemented in fiscal year 2013, which changed net assets to net position.

Sources: Unless otherwise noted, the information in the following schedules is derived from the State’s Annual Comprehensive Financial Reports.

Schedule 1
Net Position by Component
Last Ten Fiscal Years
(Expressed in Thousands)

	2023	2022	2021	2020
Governmental Activities				
Net Investment in Capital Assets	\$ 10,966,906	\$ 9,119,557	\$ 9,139,616	\$ 9,192,701
Restricted	1,344,616	1,557,217	1,430,320	1,188,896
Unrestricted Net Position (Deficit)	<u>1,097,349</u>	<u>574,051</u>	<u>(1,991,434)</u>	<u>(3,423,609)</u>
Total Governmental Activities Net Position	<u>\$ 13,408,871</u>	<u>\$ 11,250,825</u>	<u>\$ 8,578,502</u>	<u>\$ 6,957,988</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 2,527	\$ 3,113	\$ 1,965	\$ 2,001
Restricted	2,403,762	2,356,490	2,110,728	1,777,494
Unrestricted Net Position (Deficit)	<u>225,181</u>	<u>170,279</u>	<u>405,599</u>	<u>389,829</u>
Total Business-type Activities Net Position(Deficit)	<u>\$ 2,631,470</u>	<u>\$ 2,529,882</u>	<u>\$ 2,518,292</u>	<u>\$ 2,169,324</u>
Primary Government				
Net Investment in Capital Assets	\$ 10,969,433	\$ 9,122,670	\$ 9,141,581	\$ 9,194,702
Restricted	3,748,378	3,913,707	\$ 3,541,048	2,966,390
Unrestricted Net Position (Deficit)	<u>1,322,530</u>	<u>744,330</u>	<u>\$ (1,585,835)</u>	<u>(3,033,780)</u>
Total Primary Government Net Position	<u>\$ 16,040,341</u>	<u>\$ 13,780,707</u>	<u>\$ 11,096,794</u>	<u>\$ 9,127,312</u>

2019	2018	2017	2016	2015	2014
\$ 9,005,297	\$ 8,875,443	\$ 8,996,053	\$ 8,986,789	\$ 8,890,142	\$ 8,791,243
1,251,729	953,572	402,490	422,147	439,118	367,636
(3,337,234)	(4,119,293)	(4,455,964)	(4,563,114)	(4,718,599)	(17,631)
<u>\$ 6,919,792</u>	<u>\$ 5,709,722</u>	<u>\$ 4,942,579</u>	<u>\$ 4,845,822</u>	<u>\$ 4,610,661</u>	<u>\$ 9,141,248</u>
\$ 1,821	\$ 2,676	\$ 2,863	\$ 2,940	\$ 2,963	\$ 3,175
1,972,374	1,895,646	1,809,614	1,741,004	1,813,975	1,812,958
354,405	333,239	282,812	201,954	201,022	41,180
<u>\$ 2,328,600</u>	<u>\$ 2,231,561</u>	<u>\$ 2,095,289</u>	<u>\$ 1,945,898</u>	<u>\$ 2,017,960</u>	<u>\$ 1,857,313</u>
\$ 9,007,118	\$ 8,878,119	\$ 8,998,916	\$ 8,989,729	\$ 8,893,105	\$ 8,794,418
3,224,103	2,849,218	2,212,104	2,163,151	2,253,093	2,180,594
(2,982,829)	(3,786,054)	(4,173,152)	(4,361,160)	(4,567,049)	23,549
<u>\$ 9,248,392</u>	<u>\$ 7,941,283</u>	<u>\$ 7,037,868</u>	<u>\$ 6,791,720</u>	<u>\$ 6,628,621</u>	<u>\$ 10,998,561</u>

*In FY 2015, Unrestricted Net Position (Deficit) was revised Due to a subsequent revision in the July 1, 2014 schedule of employer allocations for the Teachers' Retirement Systems, the State identified a misstatement in the cumulative effect that was reported in Governmental Activities net beginning net position in the June 30, 2015 financial statements.

Schedule 2
Changes in Net Position by Component
Last Ten Fiscal Years (Expressed in Thousands)

	2023	2022	2021	2020
Governmental Activities:				
Expenses:				
Legislative	\$ 22,083	\$ 22,161	\$ 21,755	\$ 22,565
Judicial	107,734	68,095	111,998	136,383
Executive	350,893	622,666	714,308	368,025
Administration	318,337	287,847	241,868	279,823
Commerce	163,917	157,407	233,403	194,690
Environmental Protection	119,899	123,749	88,978	103,259
Employment Programs	63,160	59,131	211,110	50,785
Education	3,140,045	2,745,843	3,064,713	2,991,209
Health and Human Resources	8,147,013	7,828,170	6,880,969	5,934,351
Homeland Security	520,974	395,814	515,711	559,734
Revenue	118,889	58,449	126,387	63,132
Transportation	1,426,056	1,463,303	1,325,447	1,386,393
Veterans Assistance	20,692	15,216	17,407	20,152
Senior Services	56,410	51,537	53,919	48,307
Regulatory Boards and Commissions	1,504,324	368,609	141,343	50,519
Tourism	28,578	37,621	—	—
Economic Development	104,964	559,988	—	—
Arts, Culture and History	34,276	36,155	—	—
Interest on Long-Term Debt	152,565	154,682	143,228	172,922
Interest on Lease Liability	3,757	3,064	—	—
Total Expenses	16,404,566	15,059,507	13,892,544	12,382,249
Program Revenues:				
Charges for Services				
Legislative	991	985	1,078	1,064
Judicial	1,528	1,233	1,067	907
Executive	14,573	27,248	33,892	23,619
Administration	78,831	59,244	61,505	56,118
Commerce	55,174	33,769	48,742	40,634
Environmental Protection	63,482	55,970	63,051	58,935
Employment Programs	—	—	—	—
Education	—	—	—	1,394
Health and Human Resources	36,519	62,976	61,783	84,834
Homeland Security	19,008	13,355	—	16,234
Revenue	14,062	46,634	45,958	42,173
Transportation	196,251	137,986	170,990	130,505
Veterans Assistance	390	284	183	324
Senior Services	1,238	1,260	2	2
Regulatory Boards and Commissions	49,311	42,653	19,667	36,806
Tourism	1	—	—	—
Economic Development	—	726	—	—
Arts, Culture and History	749	812	—	—
Total Charges for Services	532,108	485,135	507,918	493,549
Operating Grants and Contributions:				
Legislative	348	900	840	1,095
Judicial	2,614	2,288	2,170	2,102
Executive	739,380	1,263,082	668,297	108,510
Administration	—	127	—	—
Commerce	74,603	55,166	94,631	71,738
Environmental Protection	90,079	84,310	84,963	87,493
Employment Programs	65,875	64,560	149,770	53,462
Education	879,614	843,635	582,884	508,378
Health and Human Resources	6,626,910	6,535,448	5,531,583	4,509,174
Homeland Security	181,855	126,609	91,125	132,731
Revenue	3,713	2,021	2,740	3,040
Transportation	—	—	50,000	—
Veterans Assistance	8,682	7,602	7,050	6,761
Senior Services	27,615	28,546	26,193	25,427
Regulatory Boards and Commissions	54,465	57,146	55,435	3,262
Tourism	1,718	—	—	—
Economic Development	57,540	62,448	—	—
Arts, Culture and History	9,213	8,248	—	—
Total Operating Grants and Contributions	8,824,224	9,142,136	7,347,681	5,511,368
Capital Grants and Contributions:				
Administration	—	439	239	—
Homeland Security	172	—	—	794
Transportation	717,426	551,222	505,348	340,627
Veterans Assistance	3,048	2,764	2,634	2,261
Total Capital Grants and Contributions	720,646	554,425	508,221	343,682
Total Program Revenues	10,076,978	10,181,696	8,363,820	6,348,599
Total Governmental Activities Net Program Expenses	(6,327,588)	(4,877,811)	(5,528,724)	(6,033,650)

	2019	2018	2017	2016	2015	2014
\$	21,399	\$ 24,352	\$ 24,189	\$ 25,766	\$ 26,762	\$ 30,147
	122,394	136,825	134,351	133,702	126,904	143,929
	279,266	213,285	176,485	139,580	124,455	154,212
	203,481	235,485	262,684	234,542	280,007	308,685
	163,112	196,759	166,225	166,129	141,566	182,198
	115,131	112,962	173,689	84,533	109,036	150,859
	47,779	43,287	55,231	48,173	43,876	50,406
	2,704,721	2,669,868	2,777,727	2,708,236	2,870,823	2,924,767
	5,500,238	5,483,893	5,810,783	5,352,930	5,241,337	4,759,982
	461,957	479,783	502,408	417,604	412,894	424,232
	122,114	93,815	89,178	78,504	86,654	131,627
	1,341,573	1,150,909	1,153,708	1,183,397	1,121,182	1,148,566
	25,178	24,369	20,572	20,588	19,264	23,551
	45,485	44,825	41,934	44,037	49,205	45,846
	44,027	55,422	53,909	47,680	74,255	44,847
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	157,642	118,156	110,722	112,273	123,064	119,268
	—	—	—	—	—	—
	<u>11,355,497</u>	<u>11,083,995</u>	<u>11,553,795</u>	<u>10,797,674</u>	<u>10,851,284</u>	<u>10,643,122</u>
	1,286	1,277	1,268	1,431	1,436	1,440
	1,026	—	1,768	1,730	944	972
	25,710	19,326	18,002	14,407	22,440	24,539
	50,744	46,708	42,766	45,767	51,167	15,608
	45,103	46,986	41,017	43,541	46,972	48,312
	65,371	68,595	53,209	74,621	71,302	85,487
	—	—	—	—	—	—
	554	—	—	2,580	3,970	3,982
	64,862	56,589	70,812	72,849	84,731	83,974
	15,877	18,449	16,018	10,868	8,751	9,847
	45,962	44,703	42,421	42,754	50,547	33,231
	181,181	169,142	101,562	92,171	97,716	92,772
	393	3	—	—	—	—
	(2)	—	3	—	—	—
	37,712	41,508	42,259	26,158	31,317	31,403
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>535,779</u>	<u>513,286</u>	<u>431,105</u>	<u>428,877</u>	<u>471,293</u>	<u>431,567</u>
	48	3,786	309	136	784	1,523
	3,543	2,472	2,899	1,978	2,296	1,453
	40,152	29,404	24,812	33,725	14,076	64,345
	(1,547)	—	—	3,006	50,731	43,532
	65,568	60,551	60,378	41,846	39,802	54,672
	106,230	99,742	87,674	98,312	102,018	103,557
	48,391	49,969	49,288	48,050	45,306	49,686
	453,950	435,775	440,701	451,719	443,295	405,576
	4,044,403	4,005,927	4,319,051	3,940,757	3,811,046	3,385,470
	78,481	85,058	130,128	118,282	65,630	59,304
	1,833	1,316	2,645	1,917	144	35
	—	—	—	—	—	—
	5,947	11,805	8,208	8,008	9,604	7,814
	23,452	22,005	22,318	23,489	22,728	22,588
	3,180	3,134	2,910	3,049	3,058	2,782
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>4,873,631</u>	<u>4,810,944</u>	<u>5,151,321</u>	<u>4,774,274</u>	<u>4,610,518</u>	<u>4,202,337</u>
	—	2,364	1,563	2,552	—	3,180
	38	—	2,128	1,235	17,241	24,395
	492,389	369,711	526,571	452,435	373,708	—
	<u>2,311</u>	<u>—</u>	<u>1,564</u>	<u>—</u>	<u>—</u>	<u>476,631</u>
	<u>494,738</u>	<u>372,075</u>	<u>531,826</u>	<u>456,222</u>	<u>390,949</u>	<u>504,206</u>
	<u>5,904,148</u>	<u>5,696,305</u>	<u>6,114,252</u>	<u>5,659,373</u>	<u>5,472,760</u>	<u>5,138,110</u>
	<u>(5,451,349)</u>	<u>(5,387,690)</u>	<u>(5,439,543)</u>	<u>(5,138,301)</u>	<u>(5,378,524)</u>	<u>(5,505,012)</u>

Schedule 2
Changes in Net Position by Component
Last Ten Fiscal Years
 (Expressed in Thousands)
 (Continued)

	2023	2022	2021	2020
General Revenues and Other Changes in Net Position:				
Taxes:				
Personal Income	2,629,514	\$ 2,522,395	\$ 2,194,829	\$ 2,023,079
Consumer Sales	1,920,175	1,812,684	1,668,378	1,514,838
Business	1,454,652	1,372,786	777,371	550,918
Medicaid	301,981	278,554	266,706	235,758
Transportation	762,227	719,812	701,541	680,902
Other	407,910	403,464	379,286	384,882
Entitlements and Grants	—	—	—	—
Unrestricted Investment Earnings	276,718	(118,738)	130,414	123,951
Tobacco Settlement Revenue	59,359	63,707	61,812	106,093
Lottery Revenues	377,630	372,001	389,012	266,124
Miscellaneous	399,221	143,261	628,007	176,399
Other Financing Sources	22,472	13,140	—	—
Transfers	(88,142)	(32,932)	(48,118)	7,147
Total General Revenues and Transfers	<u>8,523,717</u>	<u>7,550,134</u>	<u>7,149,238</u>	<u>6,070,091</u>
Total Governmental Activities Changes in Net Position	\$ 2,196,129	\$ 2,672,323	\$ 1,620,514	\$ 36,441
Business-type Activities				
Expenses:				
Water Pollution Control Revolving Fund	11,410	11,232	11,291	10,739
Workers' Compensation Fund	31,265	6,365	62,049	59,151
Unemployment Compensation	127,567	117,319	1,063,978	1,415,646
West Virginia Infrastructure and Jobs Development Council	43,835	44,395	31,795	22,325
Public Employees' Insurance Agency	675,684	708,037	701,087	597,217
Board of Risk and Insurance Management	177,118	173,129	88,562	70,377
Other Activities	119,032	123,729	116,405	110,335
Total Expenses	<u>1,185,911</u>	<u>1,184,206</u>	<u>2,075,167</u>	<u>2,285,790</u>
Program Revenues:				
Charges for Services:				
Water Pollution Control Revolving Fund	6,619	6,196	5,763	5,779
Workers' Compensation Fund	674	1,071	2,604	1,679
Unemployment Compensation	154,019	168,180	200,836	202,465
West Virginia Infrastructure and Jobs Development Council	3,389	4,008	4,749	3,810
Public Employees' Insurance Agency	641,968	629,198	571,567	555,480
Board of Risk and Insurance Management	86,433	81,250	78,692	75,539
Other Activities	152,757	147,642	144,406	130,781
Total Charges for Services	<u>1,045,859</u>	<u>1,037,545</u>	<u>1,008,617</u>	<u>975,533</u>
Total Revenues	<u>1,045,859</u>	<u>1,037,545</u>	<u>1,008,617</u>	<u>975,533</u>
Total Business-type Activities Net Program Expenses	<u>(140,052)</u>	<u>(146,661)</u>	<u>(1,066,550)</u>	<u>(1,310,257)</u>
General Revenues and Other Changes in Net Position:				
Unrestricted Investment Earnings	94,074	(171,028)	301,195	96,412
Tobacco Settlement Revenue	—	—	—	—
Lottery Revenue	46,000	46,000	46,000	38,198
Miscellaneous	13,424	250,347	1,020,205	984,648
Transfers	88,142	32,932	48,118	(7,147)
Total General Revenues and Other Changes in Net Position	<u>241,640</u>	<u>158,251</u>	<u>1,415,518</u>	<u>1,112,111</u>
Total Business-type Activities Changes in Net Position	\$ 101,588	\$ 11,590	\$ 348,968	\$ (198,146)
Total Primary Government Changes in Net Position	\$ 2,297,717	\$ 2,683,913	\$ 1,969,482	\$ (161,705)

Note: In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

	2019	2018	2017	2016	2015	2014
\$	2,090,596	\$ 1,939,977	\$ 1,830,106	\$ 1,849,056	\$ 1,921,597	\$ 1,771,473
	1,481,344	1,355,135	1,312,353	1,291,813	1,265,957	1,216,812
	793,067	626,743	581,896	640,081	907,362	937,751
	239,201	222,859	217,665	222,578	197,692	189,111
	682,331	674,795	593,158	605,403	640,135	628,989
	393,244	390,773	409,426	303,770	249,102	303,889
	—	—	—	—	—	31,078
	144,963	56,933	73,552	34,380	12,259	71,178
	59,764	62,930	61,426	62,697	62,105	61,337
	348,250	322,845	336,294	342,702	356,401	343,220
	395,866	152,806	106,526	129,760	131,023	125,770
	—	—	—	—	—	—
	(30,315)	9,667	15,204	(108,778)	(230,208)	(217,282)
	6,598,311	5,815,463	5,537,606	5,373,462	5,513,425	5,463,326
\$	1,146,962	\$ 427,773	\$ 98,063	\$ 235,161	\$ 242,989	\$ (41,686)
	5,316	4,067	3,467	4,745	6,358	9,991
	139,992	117,132	134,443	202,406	44,488	129,087
	164,478	142,103	169,197	509,796	225,940	274,215
	18,512	35,937	23,941	60,622	71,587	29,752
	561,807	537,044	552,882	542,825	577,433	573,008
	84,683	61,797	66,152	67,650	72,436	67,524
	96,947	98,697	98,901	103,294	108,868	110,133
	1,071,735	996,777	1,048,983	1,491,338	1,107,110	1,193,710
	5,879	6,061	5,995	5,850	5,725	5,611
	18,194	35,905	35,738	105,897	46,272	45,099
	204,789	188,153	204,496	431,717	223,836	270,784
	3,310	3,344	3,095	1,940	2,591	3,076
	545,646	560,051	576,153	507,419	516,689	515,987
	76,541	72,270	64,587	58,303	51,940	45,959
	120,187	121,484	118,471	118,985	120,634	123,772
	974,546	987,268	1,008,535	1,230,111	967,687	1,010,288
	974,546	987,268	1,008,535	1,230,111	967,687	1,010,288
	(97,189)	(9,509)	(40,448)	(261,227)	(139,423)	(183,422)
	116,396	99,883	167,076	31,098	29,282	175,662
	—	—	—	—	—	—
	46,000	48,750	31,500	42,735	37,000	57,000
	7,791	6,708	6,467	6,554	7,271	17,282
	30,315	(9,667)	(15,204)	108,778	230,208	217,282
	200,502	145,674	189,839	189,165	303,761	467,226
\$	103,313	\$ 136,165	\$ 149,391	\$ (72,062)	\$ 164,338	\$ 283,804
\$	1,250,275	\$ 563,938	\$ 247,454	\$ 163,099	\$ 407,327	\$ 242,118

Schedule 3
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable:				
Inventories	\$ 11,935	\$ 11,115	\$ 11,425	\$ 8,954
Receivables	18,875	116,432	125,259	122,435
Restricted for:				
Government Operations	6,252	59,883	21,896	109,500
Development, Tourism, and Recreation	16,625	6,871	2,769	7,766
Education	214	240	128	244
Health and Social Services	1,359	3,466	701	1,449
Public Protection	1,621	1,030	357	890
Committed for:				
General Government Operations	35,971	33,210	11,182	21,434
Rainy Day Funds	—	—	996,893	862,766
Development, Tourism, and Recreation	13,475	21,201	4,106	8,084
Education	17,140	16,781	11,458	14,336
Health and Social Services	44,304	32,912	13,652	22,521
Public Protection	4,160	4,169	1,890	4,937
Assigned for:				
Government Operations	10,423	7,214	5,545	8,491
Development, Tourism, and Recreation	2,382	2,283	811	1,835
Education	1,478	1,434	362	751
Health and Social Services	2,387	2,522	907	2,591
Public Protection	783	823	325	1,600
Unassigned	4,556,595	3,555,421	932,900	442,363
Total General Fund	<u>\$ 4,745,979</u>	<u>\$ 3,877,007</u>	<u>\$ 2,142,566</u>	<u>\$ 1,642,947</u>
All Other Governmental Funds				
Nonspendable:				
Inventories	\$ 83,047	\$ 62,475	\$ 57,742	\$ 60,253
Permanent Fund	1,000	1,000	1,000	1,000
Receivables	18,875	—	—	—
Restricted for:				
Capital Projects	851,115	974,496	1,325,879	1,444,819
Debt Service	541,255	557,983	578,301	636,745
Government Operations				
Development, Tourism, and Recreation	72,388	73,752	78,281	62,703
Education	134	505	502	535
Public Protection	87,711	107,501	118,315	102,368
Transportation	449,685	484,513	504,595	142,157
Committed for:				
General Government Operations	6,851	6,862	6,508	5,986
Public Protection	329,309	322,173	330,075	314,622
Assigned for:				
Health and Social Services	4,159	4,126	3,904	3,762
Public Protection	4,890	4,924	6,093	3,598
Transportation	244,044	198,861	278,485	13,586
Unassigned	—	(12,274)	—	—
Total All Other Governmental Funds	<u>2,694,463</u>	<u>2,786,897</u>	<u>3,289,680</u>	<u>2,792,134</u>
Total Fund Balances, Governmental Funds	<u>\$ 7,440,442</u>	<u>\$ 6,663,904</u>	<u>\$ 5,432,246</u>	<u>\$ 4,435,081</u>

Notes: In FY 2020, Rainy Day Fund was determined to be Unassigned Fund Balance rather than Committed.

In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

	2019	2018	2017	2016	2015	2014
\$	—	\$ 11,888	\$ 11,113	\$ 9,936	\$ 10,288	\$ 11,485
	—	112,120	128,761	128,116	129,150	132,830
	—	818	500	132	846	5,600
	109,500	2,409	1,768	511	2,376	9,318
	7,766	95	180	65	268	1,508
	244	372	527	160	780	3,644
	1,449	402	314	81	402	3,411
	—	6,483	4,771	1,213	5,430	960,077
	763,388	720,323	663,061	789,352	879,749	—
	8,084	2,755	2,246	695	3,160	16,972
	12,792	25,038	24,126	24,031	17,590	18,189
	22,521	9,219	5,020	871	5,268	25,700
	4,937	2,115	1,720	479	2,308	10,801
	7,967	1,978	—	6,183	—	26,692
	1,835	615	—	—	—	1,219
	751	267	—	—	—	2,257
	2,591	860	—	—	—	3,883
	1,600	420	—	—	—	1,683
	673,649	305,331	(1,231,719)	(1,324,232)	(1,284,506)	(1,284,401)
\$	1,648,385	\$ 1,203,508	\$ (387,612)	\$ (362,407)	\$ (226,891)	\$ (49,132)
\$	54,997	\$ 49,163	\$ 52,860	\$ 49,814	\$ 48,686	\$ 37,980
	1,000	1,000	1,000	1,000	1,000	1,000
	—	—	543,598	564,488	585,811	606,938
	1,002,883	967,400	10,658	12,333	13,270	13,750
	658,493	677,347	153,621	153,646	154,491	153,707
	65,000	65,482	63,888	54,591	54,668	52,493
	427	360	889	584	1,174	357
	94,395	87,049	57,160	51,334	53,233	44,940
	312,280	17,550	12,737	12,031	12,968	14,224
	5,258	5,144	1,642	1,796	2,268	2,345
	322,358	287,855	265,899	299,757	311,564	290,746
	—	—	—	—	—	—
	3,877	5,738	6,226	4,506	7,265	9,596
	280,637	220,966	67,439	6,309	61,181	92,946
	1,917	210,794	(13,610)	(9,953)	(9,072)	(8,797)
	2,803,522	2,595,848	1,224,007	1,202,236	1,298,507	1,312,225
\$	4,451,907	\$ 3,799,356	\$ 836,395	\$ 839,829	\$ 1,071,616	\$ 1,263,093

Schedule 4
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Expressed in Thousands)

	2023	2022	2021	2020
Revenues:				
Taxes:				
Personal Income	\$ 2,614,991	\$ 2,508,884	\$ 2,196,298	\$ 2,021,193
Consumer Sales and Use	1,919,466	1,812,650	1,668,804	1,516,325
Severance	840,325	894,560	326,363	268,513
Corporate Net Income	433,695	346,535	317,670	155,406
Business and Occupation	116,404	110,485	131,541	134,173
Medicaid	300,994	278,211	267,979	236,292
Gasoline and Motor Carrier	439,560	422,937	404,425	410,901
Automobile Privilege	322,667	296,875	297,116	270,001
Other	407,682	403,243	379,294	384,873
Intergovernmental	8,369,774	8,541,855	6,853,416	5,273,610
Licenses, Permits, and Fees	256,430	248,956	243,371	241,191
Motor Vehicle Registration	144,626	141,471	146,836	122,972
Charges for Services	170,339	158,020	173,157	136,500
Lottery Revenues	372,736	367,107	384,118	262,156
Investment Earnings	317,224	(121,046)	155,659	137,340
Food Stamp Revenue	999,558	1,002,881	872,884	533,130
Other	471,076	245,980	748,925	253,175
Total Revenues	18,497,547	17,659,604	15,567,856	12,357,751
Expenditures:				
Current:				
Legislative	26,815	28,426	25,903	23,414
Judicial	148,943	150,671	135,586	137,777
Executive	377,969	785,832	843,107	374,699
Administration	157,671	158,554	105,099	147,210
Commerce	224,965	186,764	289,378	220,882
Environmental Protection	173,366	155,023	127,164	135,242
Employment Programs	65,842	64,338	213,160	53,426
Economic Development	108,816	473,062	—	—
Education	3,330,645	3,176,220	3,111,098	3,092,021
Arts, Culture, and History	36,829	36,735	—	—
Health and Human Resources	8,325,854	8,053,902	7,018,893	6,018,370
Homeland Security	611,915	488,555	568,532	566,560
Revenue	135,879	84,878	141,218	73,121
Tourism	30,533	35,508	—	—
Transportation	1,028,402	956,241	739,916	877,712
Veterans Assistance	25,917	22,199	21,025	21,517
Senior Services	55,449	52,603	54,576	48,651
Regulatory Boards and Commissions	1,507,016	367,606	134,791	38,763
Capital Outlay	934,371	792,076	903,605	972,659
Debt Service:				
Principal	175,849	163,133	166,750	167,020
Interest	131,877	139,111	124,227	149,247
Right-to-Use Principal	20,976	14,700	—	—
Right-to-Use Interest	4,090	2,962	—	—
Total Expenditures	17,639,989	16,389,099	14,724,028	13,118,291
Excess of Revenues Over (Under) Expenditures	857,558	1,270,505	843,828	(760,540)
Other Financing Sources (Uses):				
Face Value of Long-Term Debt Issued	—	—	907,600	600,000
Premiums on Bonds Issued	—	—	63,371	146,576
Capital Lease Acquisitions	—	—	—	—
Right-to-Use Leases	22,472	13,140	—	—
Payments to Refunded Bonds Escrow Agents	—	—	(737,172)	—
Transfers In	157,912	143,633	278,761	192,909
Transfers Out	(277,338)	(195,620)	(359,223)	(197,526)
Total Other Financing Sources (Uses)	(96,954)	(38,847)	153,337	741,959
Net Changes in Fund Balances	\$ 760,604	\$ 1,231,658	\$ 997,165	\$ (18,581)
Debt service as a percentage of noncapital expenditures	1.98 %	2.01 %	2.16 %	2.55 %

Note: In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

	2019	2018	2017	2016	2015	2014
\$	2,084,820	\$ 1,936,836	\$ 1,846,638	\$ 1,853,422	\$ 1,915,382	\$ 1,768,069
	1,477,711	1,355,092	1,317,452	1,293,535	1,264,716	1,211,057
	452,680	393,278	360,801	373,801	589,883	612,283
	205,481	109,113	120,728	152,873	189,473	202,444
	129,105	115,772	110,240	119,594	120,426	121,401
	238,773	226,212	215,558	221,717	200,408	184,666
	444,575	443,273	389,753	404,321	435,142	433,252
	237,756	231,522	203,405	201,082	204,993	195,737
	393,326	390,691	409,636	303,544	249,071	303,923
	4,871,752	4,696,456	5,130,386	4,702,423	4,452,997	4,160,993
	249,476	245,434	230,571	239,007	242,406	262,481
	175,565	156,931	109,047	94,277	103,092	99,430
	131,956	122,975	123,512	118,233	124,305	123,767
	343,356	317,140	330,589	336,938	349,853	335,075
	159,033	66,522	83,917	34,300	14,298	78,537
	405,622	451,228	490,483	496,107	494,131	479,215
	468,351	212,216	177,335	202,768	224,883	224,015
	<u>12,469,338</u>	<u>11,470,691</u>	<u>11,650,051</u>	<u>11,147,942</u>	<u>11,175,459</u>	<u>10,796,345</u>
	23,606	23,439	24,461	26,907	28,840	30,224
	133,023	130,832	139,774	144,091	140,847	142,859
	279,425	202,686	176,493	142,313	126,313	182,887
	77,139	111,703	148,133	126,668	155,998	159,680
	224,908	206,481	196,657	180,018	163,777	185,011
	140,328	127,757	148,139	151,537	131,371	151,742
	49,383	48,895	51,546	48,968	45,743	53,540
	—	—	—	—	—	—
	2,873,944	2,796,313	2,831,189	2,869,977	2,997,533	2,968,967
	—	—	—	—	—	—
	5,589,099	5,484,857	5,869,748	5,430,561	5,285,201	4,895,617
	488,369	478,052	525,010	495,656	461,599	466,444
	137,263	86,650	95,166	91,050	92,758	150,556
	—	—	—	—	—	—
	1,042,123	873,276	894,409	914,909	801,658	845,679
	24,811	23,104	21,036	21,546	20,261	23,464
	45,002	44,295	42,029	44,253	49,439	45,919
	35,534	39,337	42,181	36,877	54,965	68,545
	542,106	365,949	364,318	359,889	335,493	302,040
	111,090	130,901	75,615	85,180	105,800	101,350
	135,867	92,461	91,238	95,180	100,348	106,307
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>11,953,020</u>	<u>11,266,988</u>	<u>11,737,142</u>	<u>11,265,580</u>	<u>11,097,944</u>	<u>10,880,831</u>
	516,318	203,703	(87,091)	(117,638)	77,515	(84,486)
	133,789	1,186,099	81,595	—	205,365	—
	19,097	172,216	8,640	—	39,273	—
	12,414	11,737	13,568	2,019	580	955
	—	—	—	—	—	—
	—	(142,788)	(32,022)	—	(244,030)	—
	254,709	163,393	204,252	188,770	149,515	134,350
	(287,175)	(155,288)	(191,070)	(304,938)	(388,051)	(351,045)
	<u>132,834</u>	<u>1,235,369</u>	<u>84,963</u>	<u>(114,149)</u>	<u>(237,348)</u>	<u>(215,740)</u>
\$	<u>649,152</u>	<u>\$ 1,439,072</u>	<u>\$ 2,128</u>	<u>\$ 231,787</u>	<u>\$ 159,833</u>	<u>\$ 300,226</u>
	2.17 %	2.05 %	1.47 %	1.66 %	1.92 %	1.98 %

**Schedule 5
Revenue Base
Last Ten Years
(Expressed in Thousands)****Personal Income by Industry (Calendar Year)**

	2022	2021	2020	2019
Farm Earnings	\$ 54,988	\$ 32,040	\$ 28,083	\$ (27,935)
Agricultural/Forestry, Fishing, and Other	136,782	146,870	131,019	157,191
Mining	2,797,809	2,472,132	2,164,045	2,671,305
Construction	3,018,898	2,994,056	2,811,942	3,311,109
Manufacturing	4,122,065	4,172,720	3,831,022	3,936,598
Transportation, Warehousing, and Public Utilities	2,502,352	2,461,407	2,343,504	2,433,754
Wholesale Trade	1,710,453	1,586,170	1,563,243	1,586,278
Retail Trade	3,462,627	3,345,766	3,073,387	3,022,118
Finance, Insurance, and Real Estate	2,705,450	16,777,919	2,280,263	2,209,851
Service Industries	20,390,422	18,933,825	17,650,527	18,092,541
Federal, Civilian	3,162,226	3,097,806	2,965,165	2,770,566
Military	472,462	654,487	322,107	319,932
State and Local Government	7,132,500	6,680,765	6,721,741	6,616,465

Tax Revenue (Fiscal Year)

Consumer Sales	1,655,000	1,537,000	1,387,000	1,370,000
Personal Income	2,503,000	2,254,000	1,948,000	2,097,000
Severance	769,000	274,000	267,000	463,000
Corporate Income and Business Franchise	366,000	321,000	152,000	198,000
Motor Fuel	420,000	400,000	427,000	443,000
Automobile Privilege	297,000	297,000	270,000	238,000

Source: Bureau of Economic Analysis, State of West Virginia Executive Budget, and the Department of Highways.

2018	2017	2016	2015	2014	2013
\$ (63,393)	\$ (87,698)	\$ (99,972)	\$ (30,770)	\$ 19,745	\$ (15,408)
161,474	158,024	158,604	160,316	102,143	97,594
2,471,086	2,139,297	1,897,087	2,725,768	3,423,411	3,749,493
4,101,799	3,008,747	2,689,538	2,896,798	2,857,279	2,894,652
3,800,160	3,446,282	3,408,226	3,421,537	3,601,454	3,753,280
2,341,273	2,208,615	2,151,786	2,159,353	2,127,148	2,134,739
1,542,010	1,491,856	1,467,931	1,557,478	1,539,380	1,519,306
2,964,421	2,938,849	2,972,989	2,935,939	2,941,483	3,039,500
2,094,476	1,916,253	1,865,942	1,885,393	1,956,188	2,043,981
17,462,559	16,079,925	15,551,002	15,611,983	15,033,408	14,871,664
2,713,339	2,602,306	2,498,151	2,424,565	2,349,128	2,296,812
300,274	285,857	277,818	272,963	299,618	327,312
6,301,709	6,357,743	6,351,203	6,221,514	6,210,344	6,203,760
1,247,000	1,222,000	1,231,000	1,228,000	1,173,000	1,193,000
1,920,000	1,814,000	1,803,000	1,840,000	1,664,000	1,701,000
346,000	321,000	276,000	414,000	489,000	410,000
110,000	116,000	144,000	186,000	204,000	238,000
420,000	381,000	396,000	435,000	441,000	409,000
232,000	203,000	201,000	205,000	196,000	188,000

**Schedule 6
Revenue Rates
Last Ten Calendar Years**

Personal Income Tax

**Single, Head of Household, Widow(er) with Dependent Child
and Married Filing Jointly (Unchanged Over Last Ten Years)**

Less than \$10,000..... 3% of the taxable income

At least — But less than —

\$10,000 \$25,000..... \$ 300.00 plus 4.0% of excess over \$10,000

\$25,000 \$40,000..... \$ 900.00 plus 4.5% of excess over \$25,000

\$40,000 \$60,000..... \$1,575.00 plus 6.0% of excess over \$40,000

\$60,000 \$2,775.00 plus 6.5% of excess over \$60,000

Business

	2023	2022	2021	2020
Corporate Net Income (applies to C corporations)	6.50%	6.50%	6.50%	6.50%
Severance Tax:				
Timber	0%	0%	0%	0%
Oil/Gas	5%	5%	5%	5%
Coal	various	various	various	various
Consumer Sales Tax	6%	6%	6%	6%
Food Tax *	0%	0%	0%	0%
Motor Fuel Excise and Sales Tax** (cents per gallon)	35.7	35.7	35.7	35.7
Automobile Privilege Tax	6%	6%	6%	6%

All rates are set by the Legislature.

Source: State Tax Department and the Division of Motor Vehicles.

Married Filing Separately (Unchanged Over Last Ten)

Less than \$5,000..... 3% of the taxable income
 At least — But less than —

\$5,000	\$12,500.....	\$	150.00	plus 4.0% of excess over \$5,000
\$12,500	\$20,000.....	\$	450.00	plus 4.5% of excess over \$12,500
\$20,000	\$30,000.....	\$	787.50	plus 6.0% of excess over \$20,000
\$30,000	\$	1,387.50	plus 6.5% of excess over \$30,000

2019	2018	2017	2016	2015	2014
6.50%	6.50%	6.50%	6.50%	6.50%	7.00%
1.50%	2%	2%	0%	0%	Discontinued
5%	5%	5%	5%	5%	5%
various	various	various	various	various	various
6%	6%	6%	6%	6%	6%
0%	0%	0%	0%	0%	0%
35.7	35.7	35.7	34.6	34.6	34.7
6%	6%	6%	5%	5%	5%

Schedule 7
Revenue Payers by Industry/Category
Most Current Available Year and
Historical Comparison
(Dollars Expressed in Thousands)

Consumers Sales and Service Tax and Use Tax

Tax Year 2015				
Industry	Remittance	Percent of Total	Accounts	Percent of Total
Agriculture, Forestry, Fishing, and Hunting	\$ 2,562,463	0.21 %	649	1.56 %
Mining, Quarrying, and Oil and Gas Extraction	14,747,163	1.19 %	295	0.71 %
Construction	39,145,299	3.15 %	3,716	8.92 %
Manufacturing	73,281,413	5.90 %	3,083	7.40 %
Wholesale Trade	109,243,636	8.80 %	2,838	6.81 %
Retail Trade	565,962,381	45.61 %	9,406	22.58 %
Finance and Insurance	11,623,578	0.94 %	471	1.13 %
Services	348,897,658	28.11 %	18,783	45.10 %
Other	75,533,745	6.09 %	2,411	5.79 %
Total	\$1,240,997,336	100.00 %	41,652	100.00 %

Tax Year 2006				
Industry	Remittance	Percent of Total	Accounts	Percent of Total
Agriculture, Forestry, Fishing, and Hunting	\$ 4,263,248	0.40 %	1,520	2.16 %
Mining, Quarrying, and Oil and Gas Extraction	5,715,604	0.53 %	1,502	2.13 %
Construction	32,432,170	3.00 %	11,977	17.02 %
Manufacturing	53,336,059	4.94 %	4,062	5.77 %
Wholesale Trade	90,177,184	8.35 %	3,164	4.50 %
Retail Trade	582,626,343	53.95 %	16,075	22.84 %
Finance and Insurance	3,115,399	0.29 %	579	0.82 %
Services	244,810,238	22.67 %	26,800	38.08 %
Other	63,413,908	5.87 %	4,698	6.68 %
Total	\$1,079,890,153	100.00 %	\$ 70,377	100.00 %

Note: Due to confidentiality issues, the names of revenue payers are not provided. This information is an alternative regarding the sources of the State's revenue.

Source: West Virginia State Tax Department

Personal Income Tax**Tax Year 2015**

Income Level	Tax Liability	Percent of Total	Returns	Percent of Total
\$0 - \$10,000	\$ 5,272,893	0.30 %	236,651	27.90 %
\$10,000 - \$20,000	47,459,937	2.66 %	123,579	14.57 %
\$20,000 - \$40,000	170,695,066	9.56 %	162,763	19.20 %
\$40,000 - \$60,000	213,223,266	11.93 %	104,607	12.33 %
Over \$60,000	1,349,611,684	75.55 %	220,536	26.00 %
Total	\$1,786,262,846	100.00 %	848,136	100.00 %

Tax Year 2006

Income Level	Tax Liability	Percent of Total	Returns	Percent of Total
\$0 - \$10,000	\$ 18,619,641	1.39 %	251,245	32.97 %
\$10,000 - \$20,000	61,443,632	4.60 %	123,103	16.15 %
\$20,000 - \$40,000	173,037,512	12.95 %	156,696	20.56 %
\$40,000 - \$60,000	214,708,216	16.07 %	99,970	13.12 %
Over \$60,000	868,594,173	64.99 %	131,030	17.20 %
Total	\$1,336,403,174	100.00 %	\$ 762,044	100.00 %

Schedule 8
Ratios of Outstanding Debt
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

	Primary Government Debt			
	2023	2022	2021	2020
Governmental Activities:				
General Obligation Bonds	\$ 1,890,099	\$ 1,982,665	\$ 2,057,062	\$ 1,865,314
Revenue Bonds	1,229,363	1,303,621	1,380,364	1,445,649
Right to Use Lease Liability	103,877	99,993	—	—
Right to Use Software Liability	15,927	—	—	—
Other Financing Debt	18,094	29,025	27,210	32,368
Other Financing Debt Payable to Component Units	150,425	171,740	191,185	209,730
Total Governmental Activities	3,407,785	3,587,044	3,655,821	3,553,061
Enterprise Activities:				
Revenue Bonds	144,165	151,565	158,655	165,475
Total Primary Government Debt	\$ 3,551,950	\$ 3,738,609	\$ 3,814,476	\$ 3,718,536

Governmental Activities Tax Income

Year	Personal Income	Consumer Sales and Use	Business	Transportation	Other	Total
2023	\$ 2,628,777	\$ 1,920,060	\$ 1,448,071	\$ 762,227	\$ 709,303	\$ 7,468,438
2022	2,523,014	1,816,936	1,378,447	719,812	684,184	7,122,393
2021	2,194,829	1,668,378	777,371	701,541	645,992	5,988,111
2020	2,023,079	1,514,838	550,918	680,902	620,640	5,390,377
2019	2,090,596	1,368,741	793,067	682,331	632,445	5,567,180
2018	1,939,977	1,355,135	626,743	674,795	613,632	5,210,282
2017	1,830,106	1,312,353	581,896	593,158	627,091	4,944,604
2016	1,849,056	1,291,813	640,081	605,403	526,348	4,912,701
2015	1,921,597	1,265,957	907,362	640,135	446,794	5,181,845
2014	1,771,473	1,216,812	937,751	628,989	493,000	5,048,025

General Obligation Bond Debt Ratios

Year	General Obligation Bond Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
2023	\$ 1,890,099	25.31 %	2.21 %	\$ 1.06
2022	1,982,665	27.84 %	2.32 %	1.11
2021	2,057,062	34.35 %	2.56 %	1.16
2020	1,865,314	34.60 %	2.46 %	1.04
2019	1,182,881	21.25 %	1.60 %	0.66
2018	1,240,350	23.81 %	1.80 %	0.68
2017	359,261	7.27 %	0.54 %	0.20
2016	393,089	8.00 %	0.58 %	0.21
2015	412,368	7.96 %	0.62 %	0.22
2014	460,428	9.13 %	0.70 %	0.25

Primary Government Debt

2019	2018	2017	2016	2015	2014
\$ 1,182,881	\$ 1,240,350	\$ 359,261	\$ 393,089	\$ 412,368	\$ 460,428
1,532,497	1,415,049	1,182,921	1,142,347	1,185,022	1,226,587
—	—	—	—	—	—
—	—	—	—	—	—
32,972	45,563	28,168	28,153	28,813	27,405
227,660	244,995	260,955	275,765	260,995	243,790
2,976,010	2,945,957	1,831,305	1,839,354	1,887,198	1,958,210
172,045	178,395	185,290	191,049	197,762	112,735
<u>\$ 3,148,055</u>	<u>\$ 3,124,352</u>	<u>\$ 2,016,595</u>	<u>\$ 2,030,403</u>	<u>\$ 2,084,960</u>	<u>\$ 2,070,945</u>

Total Debt Ratios

Year	Total Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
2023	\$ 3,551,950	49.87 %	4.15 %	\$ 1.99
2022	3,738,609	52.49 %	4.37 %	2.10
2021	3,814,476	63.70 %	4.75 %	2.16
2020	3,718,536	68.98 %	4.90 %	2.07
2019	3,148,055	56.55 %	4.27 %	1.74
2018	3,124,352	59.97 %	4.54 %	1.72
2017	2,016,595	40.78 %	3.01 %	1.10
2016	2,030,403	41.33 %	3.00 %	1.10
2015	2,084,960	40.24 %	3.12 %	1.13
2014	2,171,380	43.01 %	3.30 %	1.17

All General Obligation Bonds carry a pledge of the State to levy taxes if funds are insufficient to meet debt service.

Infrastructure bonds are paid from the dedication of the first \$24 million in severance tax collections.

Safe Roads bonds are paid from a debt service fund which is administered by the West Virginia State Treasurer's Office. The Division of Highways makes a monthly transfer to this fund from the Road Fund. The monthly transfer amount is equal to 10% of the annual debt service requirement on all Safe Roads Bonds.

*These ratios are calculated using the current fiscal year debt total divided by personal income and population for the prior calendar year. See Schedule 10 for personal income tax and population data.

Schedule 9
Pledged Revenue Coverage
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

Department of Transportation

West Virginia Code Chapter 17, Article 17A provides for the issuance of Surface Transportation Improvement Special Obligation Notes (GARVEE bonds) to facilitate the construction of highways, secondary roads, and bridges to be funded wholly or in part by federal dollars and in anticipation of reimbursement from such sources. Title 23, Section 122 federal legislation allows this reimbursement. There is Memorandum of Agreement between the Federal Highway Administration and the Division of Highways that documents the procedures for managing the stewardship and oversight of highway projects that are financed with the proceeds of these notes first issued in fiscal year 2007.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 31,711	\$ —	\$ 31,711	\$ 21,965	\$ 9,746	\$ 31,711	1.00
2022	31,738	—	31,738	20,920	10,818	31,738	1.00
2021	32,769	—	32,769	19,930	12,839	32,769	1.00
2020	31,787	—	31,787	18,975	12,812	31,787	1.00
2019	31,495	—	31,495	17,765	13,730	31,495	1.00
2018	25,926	—	25,926	15,310	10,616	25,926	1.00
2017	10,971	—	10,971	8,515	2,456	10,971	1.00
2016	—	—	—	—	—	—	—
2015	27,504	—	27,504	25,650	1,854	27,504	1.00
2014	27,519	—	27,519	24,475	3,044	27,519	1.00

WV Infrastructure and Jobs Development Council

The primary source of repayment for the revenue and refunding bonds is the receipt of payments of principal and interest on a set of loans, known as defined loans, previously made to projects from revenue bond proceeds. New bonds were issued in 2018 to refund earlier bond issues.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 59,227	\$ 41,660	\$ 17,567	\$ 3,385	\$ 3,529	\$ 6,914	2.54
2022	50,307	40,896	9,411	3,225	3,692	6,917	1.36
2021	51,009	27,977	23,032	3,100	3,834	6,934	3.32
2020	46,205	18,245	27,960	2,985	3,953	6,938	4.03
2019	54,612	19,158	35,454	2,900	4,055	6,955	5.10
2018	51,948	30,841	21,107	3,570	4,137	7,707	2.74
2017	29,097	17,264	11,883	83,805	3,634	87,439	0.14
2016	38,048	58,856	(20,808)	2,720	4,640	7,360	(2.83)
2015	28,840	70,089	(41,249)	2,620	4,746	7,366	(5.60)
2014	49,441	30,909	18,533	2,710	4,845	7,555	2.45

Tobacco Settlement Finance Authority

Pursuant to the Code, and a Purchase and Sale Agreement, dated June 1, 2007, by and between the Authority and the State, the State sold to the Authority its right, title, and interest in and to all tobacco settlement revenue that is received by the State, under the terms of the Master Settlement Agreement entered into by participating tobacco product manufacturers, West Virginia, 45 other states, and six other U.S. jurisdictions in November 1998. In FY 21, refunding bonds Series 2020 were issued. The proceeds were used to refund a portion of the 200A bonds. The Series 2020 Bonds are secured by and are payable solely from the right, title, and interest of the Authority of 100% of the tobacco receipts, and investment earnings on the accounts with the trustee under the Indenture.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 61,527	\$ 155	\$ 61,372	\$ 37,960	\$ 22,045	\$ 60,005	1.03
2022	65,319	97	65,222	42,275	22,917	55,192	1.00
2021	63,577	(30)	63,607	40,290	14,024	54,314	1.17
2020	108,271	361	107,910	61,825	50,263	112,088	0.96
2019	63,711	109	63,602	12,910	51,226	64,136	0.99
2018	65,304	127	65,177	13,410	52,228	65,638	0.99
2017	68,009	116	67,893	15,090	53,355	68,445	1.00
2016	66,356	130	66,226	12,405	54,281	66,686	0.99
2015	67,029	17	67,012	12,205	55,192	67,397	0.99
2014	67,499	149	67,350	11,815	56,068	67,883	0.99

Economic Development Project Fund

West Virginia State Code Chapter 29, Article 22, Section 18a designates \$19 million annually from the "excess lottery revenue fund" to be paid into the Economic Development Project Fund created in subsection (d) for payment of revenue bonds issued pursuant to the same subsection. Interest on the account and any other amounts paid into the Economic Development Project Fund are also to be used for the repayment of the bonds, which were issued in 2004.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 20,549	\$ —	\$ 20,549	\$ 14,680	\$ 3,861	\$ 18,541	1.11
2022	19,037	—	19,037	13,840	4,726	18,566	1.03
2021	18,990	—	18,990	13,130	5,503	18,633	1.02
2020	19,438	—	19,438	12,460	6,194	18,654	1.04
2019	19,801	—	19,801	11,825	6,846	18,671	1.06
2018	19,419	—	19,419	11,220	7,465	18,685	1.04
2017	19,114	—	19,114	10,650	8,052	18,702	1.03
2016	19,051	—	19,051	10,105	8,610	18,715	1.02
2015	19,206	—	19,206	9,660	9,104	18,764	1.02
2014	19,852	—	19,852	9,240	9,538	18,778	1.06

Schedule 9
Pledged Revenue Coverage
Last Ten Fiscal Years
(Dollars Expressed in Thousands)
(Continued)

Education, Arts, Sciences, and Tourism

Certain net profits of the Lottery as set forth in Chapter 29, Article 22 of the Code of West Virginia, are transferred to the Trustee under the bond indenture. These bonds are subordinate to lien and source of payment only to those certain School Building Authority Capital Improvement Bonds, Series 2004 and 2012.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 9,995	\$ —	\$ 9,995	\$ 4,615	\$ 5,380	\$ 9,995	1.00
2022	9,991	—	9,991	4,395	5,600	9,995	1.00
2021	9,994	—	9,994	4,185	5,809	9,994	1.00
2020	9,994	—	9,994	3,985	6,009	9,994	1.00
2019	9,994	—	9,994	3,795	6,198	9,993	1.00
2018	10,240	2,691	7,549	1,095	6,206	7,301	1.03
2017	10,010	—	10,010	3,290	6,709	9,999	1.00
2016	9,996	—	9,996	3,130	6,865	9,995	1.00
2015	9,996	—	9,996	3,010	6,985	9,995	1.00
2014	9,999	—	9,999	2,880	7,119	9,999	1.00

Cacapon Project Fund

Pledged revenues under the Indenture include all money deposited into the Cacapon State Parks Lottery Revenue Debt Service Fund pursuant to Section 18e of the Lottery Act and transferred to the Trustee for deposit in the Revenue Fund established under the Indenture. All income and receipts on the funds and accounts are held by the Trustee under the Indenture.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 2,064	\$ —	\$ 2,064	\$ 930	\$ 1,076	\$ 2,006	1.03
2022	2,031	—	2,031	885	1,122	2,007	1.01
2021	2,029	—	2,029	870	1,153	2,023	1.00
2020	2,038	—	2,038	855	1,169	2,024	1.01
2019	2,045	—	2,045	400	1,179	1,579	1.30
2018	1,397	—	1,397	—	400	—	3.49

Economic Development Authority

The Economic Development Authority (EDA) has issued Revenue Bonds to provide financial assistance to State governmental entities for the acquisition and construction of facilities deemed to be in the public interest. The EDA has lease-purchase agreements with the State, and the State makes the payments to the trustee. Upon repayment of the bonds, ownership of the acquired facilities transfers to the governmental entity served by the bond issuance.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ —	\$ —	\$ 28,937	\$ 21,315	\$ 7,622	\$ 28,937	1.00
2022	—	—	27,872	19,445	8,427	27,872	1.00
2021	—	—	27,656	18,545	9,111	27,656	1.00
2020	—	—	27,802	17,930	9,872	27,802	1.00
2019	—	—	27,846	17,330	10,516	27,846	1.00
2018	—	—	27,273	16,093	11,180	27,273	1.00
2017	—	—	26,455	14,810	11,645	26,455	1.00
2016	—	—	25,780	13,775	12,005	25,780	1.00
2015	—	—	23,478	13,065	10,413	23,478	1.00
2014	—	—	23,290	12,365	10,925	23,290	1.00

Housing Development Fund

Operating revenue includes revenues and principal loan repayments. Both are used for bond repayment. The Fund is authorized by West Virginia State Code to issue bonds and notes for its various programs in an aggregate principal amount not to exceed \$1.25 billion outstanding at any one time, exclusive of refunded obligations. Bonds and notes issued by the Fund are considered obligations of the Fund and are not deemed to constitute a debt or liability of the State. All bonds are secured by a pledge of all mortgage loan repayments, all proceeds of federal or private mortgage insurance, interest received on any monies or securities held pursuant to the resolution, and the rights and interest of the Fund in and to the mortgage loans.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 82,823	\$ 10,814	\$ 72,009	\$ 18,885	\$ 9,142	\$ 28,027	2.57
2022	105,294	7,833	97,461	21,135	7,456	28,591	3.41
2021	119,954	7,962	111,992	26,785	9,862	36,647	3.06
2020	95,207	9,323	85,884	24,575	10,013	34,588	2.48
2019	84,319	8,351	75,968	23,385	9,101	32,486	2.34
2018	86,072	6,441	79,631	28,095	9,904	37,999	2.10
2017	93,181	7,022	86,159	27,075	10,967	38,042	2.26
2016	97,344	6,980	90,364	24,240	12,690	36,930	2.44
2015	94,554	7,435	87,119	23,345	14,769	38,114	2.28
2014	102,230	7,334	94,896	22,970	16,139	39,109	2.42

Schedule 9
Pledged Revenue Coverage
Last Ten Fiscal Years
(Dollars Expressed in Thousands)
(Continued)

Water Development Authority

The Authority maintains a variety of programs to provide long-term, short-term, and private-activity financing at favorable interest rates for design, construction, and/or acquisition of wastewater and/or water systems. Monies are loaned to municipalities, public service districts, and other political subdivisions through purchase of revenue bonds or notes issued by these local governmental agencies. The loans are repaid from the revenues of the systems or other permanent financing. The aggregate principal amount of bonds and/or notes issued by the Authority may not exceed \$500 million outstanding at any time; provided that before the Authority issues bonds or notes in excess of \$440 million, the Legislature must pass a resolution authorizing this action. An additional aggregate principal amount of \$180 million may be issued for the limited purpose of providing grants for capital improvements for designated projects in the Chesapeake Bay and Greenbrier Watershed areas. The Authority's long-term planning is accomplished within the confines of its authorized borrowing limit. Operating revenue includes revenues and principal loan repayments. Both are used for bond repayment. Fiscal year 2013 include retirement of revenue bonds.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 18,294	\$ 1,856	\$ 16,438	\$ 9,229	\$ 5,426	\$ 14,655	1.13
2022	10,093	1,038	9,055	8,851	5,884	14,735	0.61
2021	10,946	1,052	9,894	8,544	6,193	14,737	0.67
2020	11,136	1,292	9,844	8,238	6,418	14,656	0.67
2019	11,449	1,207	10,242	8,969	6,677	15,646	0.65
2018	12,034	1,398	10,636	49,195	7,382	56,577	0.19
2017	12,681	1,633	11,048	54,880	63,040	117,920	0.09
2016	13,294	1,685	11,610	8,034	8,251	16,285	0.71
2015	14,060	1,624	12,436	7,875	8,494	16,369	0.76
2014	14,134	2,347	11,787	50,610	9,537	60,147	0.20

Higher Education Fund

Various individual institutions, as well as the Fund, have issued bonds which are generally payable from tuition and registration fees. Several bond issues, including the 2009 Series A, 2010 Series A, B, and C, and a 2012 Series A and B are to be repaid using certain Lottery funds. Higher Education issued new taxable bonds in fiscal year 2023.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 1,863,995	\$ 1,885,950	\$ (21,955)	\$ 79,703	\$ 60,644	\$ 140,347	(0.16)
2022	1,752,336	1,860,528	(108,192)	84,149	58,623	142,772	(0.76)
2021	1,734,046	1,741,493	(7,447)	64,063	56,577	120,640	(0.06)
2020	1,719,799	1,793,882	(74,083)	95,782	53,321	149,103	(0.50)
2019	1,706,699	1,735,783	(29,084)	46,830	59,354	106,184	(0.27)
2018	1,690,514	1,699,547	(9,033)	81,181	58,879	140,060	(0.06)
2017	1,687,251	1,717,659	(30,408)	93,417	59,644	153,061	(0.20)
2016	1,661,924	1,712,074	(51,150)	40,620	58,309	98,929	(0.52)
2015	1,632,186	1,669,579	(37,393)	89,575	54,237	143,812	(0.26)
2014	1,625,089	1,620,246	4,843	45,900	53,211	99,111	0.05

West Virginia Division of Corrections and Rehabilitation

Revenue Bonds are secured by the regional jails and correctional facilities and an irrevocable pledge of the lease payments, which are generated by court fees, and are required to be in sufficient amount to pay principal and interest on the bonds when due.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2023	\$ 433,813	\$ 430,298	\$ 3,515	\$ 1,111	\$ 491	\$ 1,602	2.20
2022	315,841	355,507	(39,666)	1,043	436	1,479	(26.82)
2021	414,454	392,725	21,729	9,440	527	9,967	2.18
2020	388,022	379,661	8,361	9,004	990	9,994	0.84
2019	356,488	336,744	19,744	8,557	1,564	10,121	1.95
2018	104,704	86,365	18,339	7,294	1,493	8,787	2.09
2017	93,493	82,258	11,235	6,936	1,854	8,790	1.28
2016	89,639	76,579	13,060	6,537	1,653	8,190	1.60
2015	86,862	72,677	14,185	6,150	2,716	8,866	1.60
2014	89,254	72,944	16,310	5,840	3,030	8,870	1.83

Schedule 9

Pledged Revenue Coverage

Last Ten Fiscal Years

(Dollars Expressed in Thousands)

(Continued)

School Building Authority

The Authority provides funds for modern efficient public school facilities throughout the State by promoting the consolidation of elementary and secondary public schools. The bonds are paid by certain net profits of the West Virginia Lottery.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			Coverage
				Principal	Interest	Total	
2023	\$ 62,183	\$ 27,912	\$ 34,271	\$ 16,585	\$ 8,261	\$ 24,846	1.38
2022	30,591	3,357	27,234	15,840	8,819	24,659	1.10
2021	37,023	14,751	22,272	15,100	9,563	24,663	0.90
2020	38,856	7,953	30,903	36,765	10,784	47,549	0.65
2019	66,767	104	66,663	28,285	11,732	40,017	1.67
2018	60,409	2,025	58,384	29,620	12,146	41,766	1.40
2017	60,010	8,069	51,940	27,235	14,169	41,404	1.26
2016	64,044	10,180	53,864	25,900	12,457	39,644	1.36
2015	62,533	10,525	52,008	29,555	14,812	44,367	1.17
2014	64,779	—	64,779	36,930	15,564	52,494	1.23

Parkways Authority

Revenue Bonds are secured by a pledge of substantially all Parkways Authority operating revenues and all monies deposited into accounts created by the Trust Indentures. Only total debt service is available.

Fiscal Year	Operating Revenue	Direct Operating Expense	Revenue Available for Debt Service	Debt Service	Coverage
2023	\$ 189,474	\$ 47,717	\$ 141,757	\$ 30,763	4.61
2022	178,589	42,562	136,027	30,764	4.42
2021	157,853	45,124	112,729	10,282	10.96
2020	156,655	44,028	112,627	10,280	10.96
2019	132,815	43,949	88,866	9,025	9.85
2018	95,215	37,449	57,766	10,140	5.70
2017	92,436	41,621	50,815	10,760	4.72
2016	93,223	39,223	54,100	10,755	5.03
2015	88,625	40,904	47,721	10,577	4.51
2014	84,730	39,070	45,660	10,529	4.34

Notes: Details regarding the State's debt can be found in Note 11 to the basic financial statements.

Source: Department of Transportation; School Building Authority; West Virginia Infrastructure and Jobs Development Council; Housing Development Fund; Water Development Authority; Higher Education Fund; West Virginia Division of Corrections and Rehabilitation; Parkways Authority; Tobacco Settlement Finance Authority; and bond indentures.



**Schedule 10
Demographic and Economic Indicators
Last Ten Calendar Years**

	2022	2021	2020	2019
Population				
West Virginia	1,764,786	1,781,860	1,767,859	1,792,147
Change	-0.96 %	0.79 %	-1.36 %	-0.76 %
National	340,267,511	338,380,787	333,551,673	328,239,523
Change	0.56 %	1.45 %	1.62 %	0.33 %
Total Personal Income (Dollars in Millions)				
West Virginia	\$ 88,954	\$ 85,540	\$ 80,304	\$ 75,835
Change	3.99 %	6.52 %	5.89 %	2.74 %
National	\$ 21,804,790	\$ 21,056,620	\$ 19,607,447	\$ 18,542,262
Change	3.55 %	7.39 %	5.74 %	4.09 %
Per Capita Personal Income* (In Dollars)				
West Virginia	\$ 49,169	\$ 48,488	\$ 44,994	\$ 42,315
Change	1.40 %	7.77 %	6.33 %	3.53 %
National	\$ 65,423	\$ 63,444	\$ 59,510	\$ 56,490
Change	3.12 %	6.61 %	5.35 %	3.75 %
Median Age				
	42	42	42	42.9
Educational Attainment				
9th Grade or Less	3.9 %	4.1 %	4.3 %	4.2 %
Some High School, No Diploma	8.3 %	8.3 %	8.8 %	8.7 %
High School Diploma	39.9 %	40.0 %	40.3 %	40.2 %
Some College, No Degree	26.4 %	18.7 %	18.6 %	17.9 %
Associate, Bachelor's, or Graduate Degree	30.0 %	28.9 %	28.0 %	28.9 %
Labor Force and Employment (People in Thousands)				
Civilian Labor Force	785.1	788.8	792.2	797.0
Employed	754.5	749.1	726.0	757.9
Unemployed	30.7	39.7	66.1	39.1
Unemployment Rate	3.9 %	5.0 %	8.3 %	4.9 %
Nonfarm Wage and Salary Workers Employed in West Virginia Goods Producing Industries:				
Mining	19.9	17.5	18.0	22.4
Construction	32.1	30.9	29.8	36.0
Manufacturing-Durable Goods	27.5	26.5	26.0	28.3
Manufacturing-NonDurable Goods	18.7	19.1	18.6	18.7
Total Goods Producing Industries	98.2	94.0	92.4	105.4
Non-Goods Producing Industries (people in thousands)				
Trade	96.4	97.3	95.6	100.6
Service	352.2	347.8	337.4	361.7
State and Local Government	124.3	121.4	122.9	127.9
Federal Government	25.2	25.2	25.0	24.0
Total Non-Goods Producing Industries	598.1	591.7	580.9	614.2
Total Nonfarm Wage and Salary Employment	696.3	685.7	673.3	719.6

The most current period available is 2022.

*Per capita personal income is calculated by dividing total personal income by population.

Sources: WORKFORCE West Virginia Research, Information, and Analysis Office; the Census; the Survey of Current Business; and the Bureau of Economic Analysis.

2018	2017	2016	2015	2014	2013
1,805,832	1,815,857	1,831,102	1,844,128	1,850,326	1,854,304
-0.55 %	(83.00)%	(0.71)%	(0.33)%	(0.21)%	(0.06)%
327,167,434	325,719,178	323,127,513	321,418,820	318,857,056	316,128,839
0.44 %	80.00 %	0.53 %	0.80 %	0.86 %	0.70 %
\$ 73,809	\$ 68,864	\$ 67,062	\$ 67,787	\$ 66,857	\$ 65,889
7.18 %	2.69 %	(1.07)%	1.39 %	1.45 %	3.00 %
\$ 17,813,035	\$ 16,413,551	\$ 15,912,777	\$ 15,463,981	\$ 14,683,147	\$ 14,151,427
8.53 %	3.15 %	2.90 %	5.32 %	3.62 %	5.59 %
\$ 40,873	\$ 37,924	\$ 36,624	\$ 36,578	\$ 36,132	\$ 35,533
7.78 %	3.55 %	0.13 %	1.23 %	1.66 %	3.06 %
\$ 54,446	\$ 50,392	\$ 49,246	\$ 48,112	\$ 46,049	\$ 44,765
8.04 %	2.33 %	2.36 %	4.48 %	2.79 %	4.85 %
42.7	38.0	42.2	41.8	41.3	41.3
3.9 %	5 %	4 %	5 %	5.0 %	5.4 %
8.3 %	8.4 %	9.6 %	9.8 %	9.9 %	10.0 %
39.7 %	41.2 %	39.7 %	40.7 %	41.1 %	40.2 %
19.2 %	18.6 %	18.1 %	18.5 %	18.4 %	18.6 %
28.8 %	27.3 %	28.2 %	25.7 %	25.7 %	25.7 %
783.3	773.8	771.8	776.0	787.8	797.4
742.2	733.4	732.5	730.1	733.5	744.6
41.2	40.4	39.3	45.9	54.3	52.8
5.3 %	5.2 %	5.1 %	5.9 %	690.0 %	6.6 %
22.6	21.8	20.7	23.7	25.5	33.3
41.1	34.0	29.5	31.2	27.7	31.9
28.6	28.8	27.5	28.0	28.9	30.1
18.5	18.4	18.7	18.9	18.8	18.9
110.8	103.0	96.4	101.8	100.9	114.2
103.0	107.3	109.4	112.4	107.9	108.8
359.7	389.9	389.0	397.9	389.6	398.4
129.1	132.9	134.8	132.2	130.0	132.8
23.5	23.6	23.9	23.4	22.2	23.2
615.3	653.7	657.1	665.9	649.7	663.2
726.1	756.7	753.5	767.7	750.6	777.4

**Schedule 11
Principal Employers
Current Year and Nine Years Ago**

Estimated as of June 30, 2023

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	70,000-74,999	9.60%
State Government	40,000-44,999	5.44%
Federal Government	25,000-29,999	3.38%
WVU MEDICINE (formerly West Virginia United Health System)	> 10,000	2.19%
Charleston Area Medical Center, Inc.	> 10,000	1.66%
Wal-Mart Associates, Inc.	> 10,000	1.46%
Marshall Health	5,000-9,999	0.99%
Kroger	2,500-4,999	0.46%
Alpha Metallurgical Services, LLC	2,500-4,999	0.46%
Communicare	2,500-4,999	0.46%
Lowe's Home Centers, Inc.	2,500-4,999	0.46%
Toyota Motor Manufacturing	2,500-4,999	0.46%
American Consolidated Nature Resources, Inc.	2,500-4,999	0.46%

Estimated as of June 30, 2014

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	74,000-79,999	10.12%
State of West Virginia	40,000-44,999	5.68%
Federal Government	20,000-24,999	3.12%
Wal-Mart Associates, Inc.	10,000-12,999	1.54%
West Virginia United Health System	7,000-9,999	1.14%
Charleston Area Medical Center, Inc.	5,000-6,999	0.81%
Kroger	3,000-4,999	0.54%
Mylan Pharmaceuticals, Inc.	3,000-4,999	0.54%
Murray American Energy, Inc.	1,000-2,999	0.27%
St Mary's Hospital	1,000-2,999	0.27%
Lowe's Home Center, Inc.	1,000-2,999	0.27%
Mentor Management, Inc.	1,000-2,999	0.27%
Res-Care, Inc.	1,000-2,999	0.27%

Source: WORKFORCE West Virginia Research, Information, and Analysis Office.

Schedule 12
Education Enrollment
Last Ten Fiscal Years

Public School Enrollment Grades Pre-K Through 12

Year	Elementary (Pre-K to 6)	Secondary (7 to 12)	Total All Grades
2021-22	135,318	115,581	250,899
2020-21	136,083	116,274	252,357
2019-20	145,746	115,887	261,633
2018-19	149,182	116,537	265,719
2017-18	152,584	118,023	270,607
2016-17	154,180	118,986	273,166
2015-16	157,003	120,134	277,137
2014-15	158,815	121,084	279,899
2013-14	160,112	120,901	281,013
2012-13	160,721	121,589	282,310

Higher Education Enrollment Colleges and Universities

Year	Public		Independent	
	Enrollment	Number of Certificates and Degrees	Enrollment	Number of Certificates and Degrees
2021-22	72,618	16,636	N/A*	N/A*
2020-21	75,184	17,285	6,571	N/A*
2019-20	81,292	17,916	6,596	1,732
2018-19	80,931	18,451	8,167	2,037
2017-18	83,133	18,399	8,385	2,088
2016-17	84,447	18,573	8,607	2,109
2015-16	86,427	18,521	8,654	1,862
2014-15	87,082	18,410	8,637	1,794
2013-14	90,028	18,012	8,496	1,772
2012-13	92,140	16,938	8,758	2,425

*This information is no longer available after 2021-22.

Sources: West Virginia Board of Education and West Virginia Higher Education Policy Commission

Schedule 13
State Employees by Function
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Executive	870	849	861	885
Legislative	171	164	160	174
Judicial	1,199	1,170	1,155	1,145
Administration	946	906	936	939
Commerce				
Division of Natural Resources (Parks)	655	665	703	701
Tourism and Development	153	146	147	145
WORKFORCE West Virginia	317	329	326	278
Other	324	326	337	338
Environmental Protection	775	745	764	778
Education and the Arts				
Department of Education	524	510	505	505
School for Deaf and Blind	110	108	138	155
Rehabilitation Services	386	390	403	412
Higher Education	11,045	10,865	10,632	10,636
Other	165	181	186	187
Revenue	815	800	865	873
Health & Human Services	4,862	4,737	5,096	5,215
Homeland Security				
Corrections and Rehabilitation*	2,710	2,756	3,109	3,334
Juvenile Services*	—	—	—	—
State Police	734	807	879	946
Regional Jail Authority*	—	—	—	—
Other	874	812	274	745
Veterans Assistance	202	206	201	208
Transportation	6,064	5,824	5,976	6,042
Miscellaneous**	497	481	1,061	490
Total	<u>34,398</u>	<u>33,777</u>	<u>34,714</u>	<u>35,131</u>

Notes:

* In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation Services

**In FY 2021, the Legislature passed a bill to move Adjutant General and Armory Board from Homeland Security to Miscellaneous Boards.

Sources: Leave system data warehouse reports, Higher Education Policy Commission, Housing Development Fund, and the Supreme Court of Appeals.

2019	2018	2017	2016	2015	2014
849	852	857	899	931	920
164	157	164	182	189	210
1,118	1,118	1,137	1,072	1,109	1,079
910	923	895	927	914	908
683	690	696	701	703	741
132	143	147	144	141	146
287	291	320	332	365	390
344	332	321	379	379	428
761	753	794	811	850	883
511	520	473	511	507	528
163	162	160	158	161	178
442	476	528	532	539	558
10,519	10,510	10,556	10,501	11,633	11,676
205	200	229	267	259	268
891	894	905	953	987	1,028
5,132	5,402	5,250	5,437	5,463	5,514
3,362	3,313	1,885	1,987	1,688	1,839
—	14	466	549	516	511
999	997	984	1,025	1,050	1,037
—	18	846	935	948	971
703	687	660	610	591	569
228	230	223	210	207	226
5,648	5,519	5,530	5,646	5,629	5,723
494	484	483	511	519	535
34,545	34,685	34,509	35,279	36,278	36,866

Schedule 14
Operating Indicators by Function
Last Ten Fiscal Years

	2023	2022	2021
Department of Transportation			
Division of Highways			
Total highway construction projects authorized	1,089	462	995
Number of roadway resurfacing projects	951	106	537
Highway mileage resurfaced (in miles)	1,994	261	1,508
WORKFORCE West Virginia (Employment Programs)			
Applications processed for job seekers (in thousands)	92	95	14
Filled job openings	391	244	80
Department of Education			
Schools receiving exemplary accreditation status	N/A	N/A	N/A
Schools receiving full accreditation status	N/A	N/A	N/A
School districts receiving full approval status	N/A	N/A	N/A
Department of Health and Human Resources			
Number of food stamp recipients	315,494	311,755	301,342
Number of food stamps issued	72,593,928	74,399,186	61,135,695
Medicaid enrollees	707,128	673,821	631,568
Counties enrolled in managed care	100 %	100 %	100 %
Child support collections (in millions)	\$168	\$175	\$182
Students served by school-based health clinics	39,297	39,550	36,761
Division of Natural Resources			
Attendance at State Parks (in millions)	8.1	7.3	6.9
Hunting and Fishing License Sales (calendar year)	1,182,945	1,300,516	891,774
Individuals whitewater rafting on rivers (calendar year)	131,266	141,762	112,372
Department of Environmental Protection			
Division of Air Quality			
Number of air quality inspections	850	555	521
Average days open per complaint	4.40	6.28	6.82
Division of Land Restoration Programs			
Organizations that adopted highways	64	82	38
Division of Mining and Reclamation			
Surface mine blasting examinations and certifications	210	211	57
Surface mine mineral extractions inspections	18,120	18,158	23,707
Number of acres reclaimed through reclamation and restoration of land	1,612	1,768	2,874
Office of Miners Health and Safety (Calendar Year)			
Total Safety Inspections	4,291	4,442	5,190
Violations issued by mine Inspectors	7,444	7,177	6,145
Lost time injuries of mining personnel	365	674	377
Department of Military Affairs and Public Safety			
Division of Corrections and Rehabilitation			
Adult inmate housing capacity	10,267	10,283	10,291
Inmate employment (Prison Industries)	268	252	231
Youth successfully completed programs/returned to community (Calendar Year)	48	47	74
Veterans' Home			
Average daily number of residents	77	78	74
Average daily cost per resident	\$124.51	\$116.44	\$ 110.84
Bureau of Senior Services			
Persons served under Medicaid Aged and Disabled Waiver	8,613	8,434	7,884

N/A – Information is not available. Accreditation has been suspended for school years beginning with 2014-15 and 2013-14 due to development of new state accreditation standards.

Sources: State of West Virginia Executive Budget Operating Detail Reports and state agencies.

2020	2019	2018	2017	2016	2015	2014
851	1,014	1,213	813	1,042	891	757
217	461	595	294	519	483	325
718	1,318	1,816	1,140	1,729	1,481	975
105	104	117	114	96	102	114
858	1,576	2,396	3,147	2,969	3,235	3,725
N/A						
N/A						
N/A						
294,346	289,359	304,952	322,086	333,938	360,266	351,392
38,585,136	33,602,760	37,312,477	40,337,523	40,796,612	40,995,643	39,975,707
622,943	616,834	650,686	651,031	649,111	632,808	551,682
100 %	100 %	100 %	100 %	100 %	100 %	100 %
\$207	\$194	\$184	\$189	\$214	\$212	\$208
45,254	44,868	45,682	37,456	29,045	28,053	24,391
6.7	6.5	6.6	6.8	7.1	7.0	7.0
883,964	854,434	830,309	852,909	868,658	913,578	927,069
136,779	136,233	119,675	136,128	131,022	134,170	130,192
815	812	524	470	583	546	700
7.55	7.79	6.53	8.60	6.80	8.24	17.00
38	88	52	74	1,835	1,301	1,256
145	188	273	234	147	134	111
23,500	18,241	9,639	18,935	19,739	20,205	21,086
2,989	1,048	204,453	891	527	398	700
6,107	5,365	5,486	5,328	5,002	5,750	6,751
9,227	9,748	9,495	7,205	7,527	8,767	11,415
488	500	442	369	355	584	639
10,291	5,998	6,106	5,956	5,989	5,987	5,923
265	271	251	244	245	240	244
129	145	182	196	188	166	179
76	82	82	70	74	81	87
\$117.51	\$96.98	\$107.05	\$112.44	\$107.02	\$97.62	\$97.15
7,026	6,842	6,419	6,151	6,385	6,455	6,208

Schedule 15
Capital Assets Statistics by Function
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Vehicles				
Executive	211	195	195	190
Judicial	18	18	17	19
Administration				
Agency-Owned	3,051	3,094	3,004	2,950
Leased to other agencies	—	—	—	—
Totals	<u>3,051</u>	<u>3,094</u>	<u>3,004</u>	<u>2,950</u>
Revenue		—	—	—
Commerce				
Division of Natural Resources	560	537	539	535
Division of Forestry	95	87	89	92
Others	25	13	8	8
Total Commerce	<u>680</u>	<u>637</u>	<u>636</u>	<u>635</u>
Environmental Protection	8	5	4	4
Education	51	28	28	28
Health and Human Services	38	52	21	22
Homeland Security				
West Virginia State Police	678	744	734	810
Corrections and Rehabilitation	91	72	79	85
Regional Jail Authority*	—	—	—	—
Others	61	45	37	55
Total Homeland Security	<u>830</u>	<u>861</u>	<u>850</u>	<u>950</u>
Veterans Affairs	43	49	52	54
Regulatory Boards and Commissions	19	16	19	—
Boats				
Commerce	235	237	241	225
Environmental Protection	16	15	15	15
Buildings				
Executive	104	104	104	104
Administration	236	238	234	228
Revenue	2	2	2	2
Commerce				
Division of Natural Resources (Parks)	1,625	1,674	1,672	1,674
Division of Forestry	16	16	16	16
Others	13	13	13	14
Total Commerce	<u>1,654</u>	<u>1,703</u>	<u>1,701</u>	<u>1,704</u>
Environmental Protection	2	2	2	6
Education	73	73	70	72
Health and Human Services	451	451	452	106
Homeland Security				
West Virginia State Police	205	205	203	203
Division of Corrections	461	461	463	457
Armory Board	—	—	—	201
Others	20	20	—	50
Total Homeland Security	<u>686</u>	<u>686</u>	<u>666</u>	<u>911</u>
Regulatory Boards and Commissions	249	247	251	—
Veterans Affairs	12	12	12	12
Regulatory Boards and Commissions	18	18	18	18

* In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation Services.

*In FY 2021, the Legislature passed a bill that moved Adjutant General and Armory Board from Homeland Security to Regulatory Board and Commissions..

Sources: Financial Accounting and Reporting Section; West Virginia Financial Information Management System; Fixed Asset detailed ledger.

2019	2018	2017	2016	2015	2014
190	193	235	218	219	219
19	19	20	18	20	20
2,776	202	10	9	6	6
—	2,585	2,434	2,502	2,114	2,114
2,776	2,787	2,444	2,511	2,120	2,120
—	—	—	—	—	—
525	517	907	581	710	606
99	107	140	119	135	139
8	7	18	14	18	15
632	631	1,065	714	863	760
5	5	8	8	8	17
29	28	48	30	42	53
25	26	42	35	38	29
802	706	1,164	867	1,014	895
84	43	29	26	25	47
—	47	—	—	51	28
49	51	27	23	25	37
935	847	1,220	916	1,115	1,007
61	—	54	77	77	77
—	—	—	2	2	2
199	198	209	196	103	97
14	15	16	15	8	8
105	98	27	72	28	27
225	217	75	71	70	69
2	2	2	2	2	2
1,670	1,039	885	903	907	909
1	5	5	5	5	5
13	12	12	11	11	11
1,684	1,056	902	919	923	925
7	6	6	6	7	7
69	67	72	79	79	69
455	470	106	106	106	105
203	203	97	97	92	91
455	183	64	66	63	59
218	218	149	149	149	112
53	176	63	66	66	64
929	780	373	378	370	326
—	—	—	—	—	—
12	12	11	10	10	10
17	9	4	4	4	4

Schedule 16
Miscellaneous Statistics
June 30, 2023

Date of Statehood June 20, 1863

West Virginia shares its history with Virginia from 1609 until Virginia seceded from the Union in 1861. The delegates of 40 western counties formed their own government, which was granted statehood in 1863. Declared a state by President Abraham Lincoln, West Virginia is the only state to be designated by Presidential Proclamation.

Form of Government	Constitutional Representative Government
Branches of Government	Legislative, Executive, Judicial
Area (Land and Water)	24,231.4 square miles (approximately)
Highest Elevation Point	Spruce Knob - 4,863 feet above sea level
Lowest Elevation Point	Harpers Ferry - 240 feet above sea level
Miles of Public Roads and Streets	38,770
Miles Maintained by the State	34,691
State Police Protection:	
Number of State Police Detachments	57
Number of State Police Troopers	592
Higher Education (State Supported):	
Number of Campuses	21
Number of Students	69,599
Recreation:	
Number of State Parks	35
Area of State Parks	77,452
Number of State Forests	8
Area of State Forests	72,683
Number of State owned and Operated Rail Trails	3
Distance of Rail Trails	178.7 miles
Wildlife Fish and Game Management Areas	99
Acreage of Wildlife Management Areas (Owned and Leased)	424,752

Sources: Division of Highways, Division of Public Safety, Higher Education Policy Commission, and Division of Natural Resources.